



Australian Government

Department of Communications,
Information Technology and the Arts



**Department of Communications,
Information Technology and the Arts**

ANNUAL REPORT

2002–03

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Australian Government

Department of Communications,
Information Technology and the Arts

our reference: sec03/097

Secretary

Helen Williams AO

The Hon Daryl Williams AM, QC, MP
Minister for Communications,
Information Technology and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with the provisions of section 63 of the *Public Service Act 1999*, I present to you my report on the operation of the Department of Communications, Information Technology and the Arts for the financial year ending 30 June 2003.

The Requirements for Annual Reports, approved by the Joint Committee of Public Accounts and Audit, require that a copy of the report be laid before each House of Parliament on, or before, 31 October 2003.

Yours sincerely

Helen Williams

8 October 2003

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Review by Secretary



In delivering outcomes for the Government in 2002–03, the Department was again working in an environment of change, both in terms of technology and convergence of markets, and in the wider security environment.

The year has seen a number of external and internal reviews to consider whether the policy settings across the Department's areas of responsibility should be adjusted to meet emerging trends and needs. This was particularly pertinent in the context of pressure for increasing assistance in a number of the Portfolio's programs and of widespread calls on resources across government. There was, similarly, a strong focus on increasing efficiency and effectiveness across the Department's operations.

Policy advice

In this environment, policy advice was a priority for attention, and reviews of the policy framework were a central aspect of policy development. In three important areas, they involved reporting by an independent inquiry or steering committee with the Department providing secretariat and research assistance. These reviews comprised the independent Regional Telecommunications Inquiry established to report on the adequacy of telecommunications in regional, rural and remote Australia, the report of the ICT Framework for the Future Steering Committee *Enabling our Future*, which provided a strategic blueprint for the development of the industry over the medium term, and the review commissioned by the National Museum of Australia to evaluate its exhibitions and public programs.

In addition, the Department was directly involved in a review of cultural agencies, which resulted in new arrangements to assist with the preservation of the national collections, the integration of ScreenSound Australia and the Australian Film Commission, and additional funding for the Bundanon Trust and the National Institute of Dramatic Art. Reviews were conducted into online content regulation, interactive gambling services regulation, and local content obligations for subscription television and datacasting services. The Department also supported the Government in developing its response to the Myer Inquiry into Contemporary Visual Arts and Craft.

A key issue during the year concerned changing market structures in the communications sector and the regulatory impacts of that change. Priority issues included the Government's commitment to reform the media ownership regime in Australia, emerging industry structures in the pay-television market including the Foxtel/Optus content sharing agreement, institutional arrangements to provide the most efficient and effective regulation of spectrum management, regulatory frameworks for digital television and community television that provide greater flexibility and certainty for those sectors, and initiatives to improve the environment for competition and investment in the telecommunications market, including the implementation of an accounting separation regime for Telstra's wholesale and retail operations.

A wide range of other areas were the subject of strategic policy advice during the year including the implementation of the Government's election commitments for the postal sector and the introduction of a postal industry ombudsman, broadband developments, funding arrangements for the ABC and SBS for a new triennium, digital radio issues, digital content issues in broadcasting and the arts, reforms to the copyright industry and copyright enforcement, and support for the development and implementation of venture capital reforms. Telecommunications consumer issues were also a focus with arrangements implemented to improve the reliability of telephone services, including establishing priority assistance arrangements and evaluation of teletypewriter (TTY) services.

Internationally, it was recognised that the negotiation of a free trade agreement between the United States and Australia had considerable implications across a number of areas of departmental responsibility including broadcasting, audiovisual and cultural services, government procurement, e-commerce, intellectual property and the framework for the supply of broadband services.

A negotiating team was assembled to develop advice across these areas. The international fight against doping in sport was supported by the adoption of the Copenhagen Declaration on Anti-Doping, in which Australia played a key role. The Department also assisted the World Anti-Doping Agency in finalising the World Anti-Doping Code.

Program implementation

Many of the programs that the Department administers are directed towards improving access to services. These include the television and radio black spots programs, the rollout of digital television transmission, a range of programs to expand mobile telephony and higher bandwidth coverage, the Telecommunications Action Plan for Remote Indigenous Communities and the National Cultural Touring Programs. Considerable progress was also made in implementing a range of Social Bonus and Telecommunications Service Inquiry programs. The establishment of the ICT Centre of Excellence National ICT Australia (NICTA) was an important achievement.

While the Department continued to administer program funding with careful attention to program guidelines, it increased its focus on ways in which program administration could be refined.

With respect to the programs to increase access to services, for example, program delivery is often dependent on the actions of other players, both inside and outside the Government sector. The Department is working with these players in an attempt to improve, where practicable, forecasts of timing and implementation and to upgrade processes for monitoring and evaluation.

Overall, however, consultation with relevant stakeholders, including industry participants and consumer groups, showed that the Department's service to stakeholders was rated highly.

Legislation

The legislative work of the Department in 2002–03 was again considerable, involving the development of Bills and subordinate instruments relating to telecommunications competition and consumer issues, the full private ownership of Telstra, the regulation of Australia Post, media ownership, the digital television regime and the integration of ScreenSound Australia and the Australian Film Commission. During the year, the Legal Group was involved in preparing ten Bills, 12 Statutory Rules and 13 other statutory instruments.

A key development during the year has been the increasing use made of the Legal Group in assisting the Department in managing risk and in meeting its accountability obligations. In addition, the group is managing the process for a major review of the Chief Executive Instructions, which is currently in the planning stage.

Outcomes and outputs structure

Evidence has shown that the Department's outcomes and outputs structure has become outdated in many aspects and has not facilitated quality reporting. The Department therefore undertook a major review of this structure during the year and the new structure has now been approved by the Government. It also developed new performance indicators for each output through a process that included the involvement of relevant staff.

The new outputs will be introduced from the beginning of 2003–04 and this report is therefore the last on the basis of the old reporting structure.

Corporate developments

The Department has continued to strengthen its governance arrangements over the year. The establishment of a Corporate Governance section, reporting directly to the Chief General Manager, Corporate and Business, recognises the growing need to ensure that appropriate structures, processes and procedures are in place for the Department to perform with maximum effectiveness.

Considerable work was done to upgrade the Department's corporate documents including a review of the Client Service Charter, initiation of the development of a new Corporate Plan for 2003–06 and of a Business Continuity Plan, a revised Fraud Control Plan following a new Fraud Risk Assessment, a new IT Strategic Plan for 2003–05, a new security policy flowing from a Protective Security Review and a revised Risk Management Plan for 2002–03.

The Department also strengthened the operation of its Executive Management Group, its Information Management Committee, its Audit, Risk and Evaluation Committee, and its IT governance arrangements to increase its focus on strategic corporate and accountability matters.

The Department has two major outsourced contracts in the Corporate area, both of which were under review in 2002–03.

The Group 5 contract with Telstra Enterprise Services for the provision of information technology is to expire on 30 June 2004. The Department examined its options in line with current requirements and in the context of the recommendations of the Humphry Review of Whole of Government IT Outsourcing Initiative, and decided to market test these services on a select sourcing basis. The Department's human resources services are provided by the Empower Group under a contract which will expire in September 2004. The Department undertook a major review of these arrangements in conjunction with KPMG and the review's recommendations will be addressed during the current year.

In the financial area, considerable work was done to improve both internal financial reporting and financial controls and processes, including accounts processing. A full review of financial delegations was undertaken to ensure that they continue to meet *Financial Management and Accountability Act 1997* and internal departmental requirements.

The Department's work to refine its financial reporting included developing new templates to capture information required under the recommendations of the Government's Budget Estimates and Framework Review. Given the large number of small agencies in the Portfolio which will, in future, require departmental oversight, the Department is working with the Department of Finance and Administration to achieve a successful implementation framework for the review.

Outlook for the coming year

Much of the focus for the coming year will involve the finalisation and implementation of reviews underway or completed in 2002–03.

In particular, priorities during the year will be the implementation of the Government's \$180 million response to the Regional Telecommunications Inquiry, implementation of the ICT Framework for the Future in collaboration with key industry stakeholders, implementation of the Government's response to the Myer Report and the outcomes of the review of cultural agencies, completion of the review of the governance arrangements by the communications regulators, and responding to the Australian Competition and Consumer Commission report on emerging industry structure in the pay-TV market.

In addition, analysis will be ongoing into the competitive framework in communications services and as negotiations progress on an Australia–United States free trade agreement. The coordination of the Australian Government's involvement in the Melbourne 2006 Commonwealth Games will become more intensive, and work will be required in the context of reviewing the contribution made by the Government's Backing Australia's Ability programs and ongoing strategies to support innovation in the ICT sector.

In the area of corporate management, progress towards the renegotiation of the Department's outsourced information technology and human resources contracts will be an important focus during the year. Additional priorities will be the progressive implementation of the new Budget Estimates and Framework Review recommendations, and further work to refine the Department's processes for program monitoring and implementation.

The next financial year will be a challenging one for the Department. I am certain, however, that Departmental staff will meet these challenges with the same dedication and hard work that they have shown this year, and I would like to thank them, very sincerely, for their commitment and professionalism.

A handwritten signature in black ink that reads 'Helen Quinns'. The signature is fluid and cursive, with 'Helen' on the first line and 'Quinns' on the second line.

Departmental overview

Role and functions

The vision of the Australian Government Department of Communications, Information Technology and the Arts (DCITA) is that Australia will continue to develop dynamic and world-class communications, information technology, cultural and sport sectors. The Department builds on the underlying opportunities provided by new technologies to enrich the economic, social and cultural wellbeing of all Australians.

To support this vision, the Department provides strategic advice and professional support to the Australian Government, through the Minister for Communications, Information Technology and the Arts, Senator Richard Alston, and the Minister for the Arts and Sport, Senator Rod Kemp. This support and advice covers a wide range of policy areas including the arts, cultural development, broadcasting and online regulation, information and communications technology, intellectual property, sport and telecommunications.

The Department also administers legislation, regulations, grants and incentives to industry and the wider community, and works with advisory councils and committees to broaden input and advice. In international forums, the Department seeks to maximise Australia's opportunities in global markets and on related international treaties and agreements.

The Department's staff work towards achieving four outcomes:

- a rich and stimulating cultural environment and a stronger, sustainable and internationally competitive Australian sport sector;
- competitive and effective communications and information technology industries and services, and improved access to Government information;
- Australians value science and technology's contribution to our culture and economic prosperity; and
- increased use, enjoyment and safety of Australia's audiovisual heritage.

To achieve these outcomes, the Department's resource management practices and corporate services support a highly skilled, motivated and focused workforce by investing in training and development initiatives, retaining and attracting highly skilled staff, and promoting excellence and continuous improvement.

Arts and culture

The Department encourages excellence in, and access to, Australia's cultural activities by developing policy advice for the Ministers, conducting research, collecting statistics, administering legislation and grants, and managing Old Parliament House (OPH), the National Portrait Gallery (NPG) and Artbank. Program areas include tax incentives for the arts and film, support for touring cultural activities and assistance for arts training institutions. The Department also supports the national collecting institutions and helps maintain a strong and vibrant Australian film industry. During 2002–03, two of Australia's national cultural institutions—ScreenSound Australia, the National Screen and Sound Archive and Questacon, the National Science and Technology Centre—were also operational groups within the Department.

Broadcasting and online regulation

The Department provides policy advice and administers programs relating to the television and radio broadcasting sector, including national, commercial, subscription and community broadcasters, intellectual property and the regulation of online content. The Department also administers television and radio black spots programs designed to extend the reach of these services to the Australian community.

Information and communications technology

To encourage and support the growth of this important sector, the Department administers a range of measures facilitating information and communications technology (ICT), small-to-medium enterprise development, multinational engagement in Australia's ICT sector, innovation promotion and infrastructure development and support. These measures include the Building on IT Strengths Incubators Program and Advanced Networks Program, the National Communications Fund, the ICT Centre of Excellence and industry development arrangements for Australian Government ICT procurement.

The Department also has a significant role in preparing advice on policy initiatives relevant to the ICT sector. Initiatives have included the development of an ICT Framework for the Future, which sets out a shared Government–industry stakeholder plan for Australia's ICT industry over the next decade.

Intellectual property

The Department advises on a range of issues relating to intellectual property, including the management of intellectual property in the public and private sectors, and the rights of creators including moral rights, performers' rights and Indigenous cultural intellectual property.

The Department has joint responsibility, with the Attorney-General's Department, for copyright policy matters relating to the *Copyright Act 1968* and advises on the Australian Government's copyright reform agenda.

Sport

The Department is responsible for advising the Government on several key sports issues, in particular anti-doping and the potential for growth in the sport and leisure industries. The Department works closely with the Australian Sports Drug Agency and the Australian Sports Commission.

The Department is also coordinating the Australian Government's involvement in the Commonwealth Games to be held in Melbourne in 2006.

Telecommunications and postal services

The Department is responsible for advising the Government on a range of telecommunications and postal policy matters and for implementing a number of programs, including Telstra Social Bonus programs designed to improve telecommunications services to regional, rural and remote Australia and the Government's response to the Telecommunications Service Inquiry. Competition, consumer choice and universal access are key underlying principles. The Department works closely with industry and agencies including the Australian Communications Authority, the Australian Competition and Consumer Commission and the Telecommunications Industry Ombudsman.

The outcome and output structure under which these roles and functions are delivered is set out at pages 10 and 11.

Organisational structure

The Department is led by the Secretary who, together with the Deputy Secretary for Arts and Sport and the Deputy Secretary for Communications, forms the Department's Executive. Supported by the Department's Senior Executive Service, the Executive provides leadership through the development of broadcasting, telecommunications, information technology, intellectual property, arts and culture, and sport policy.

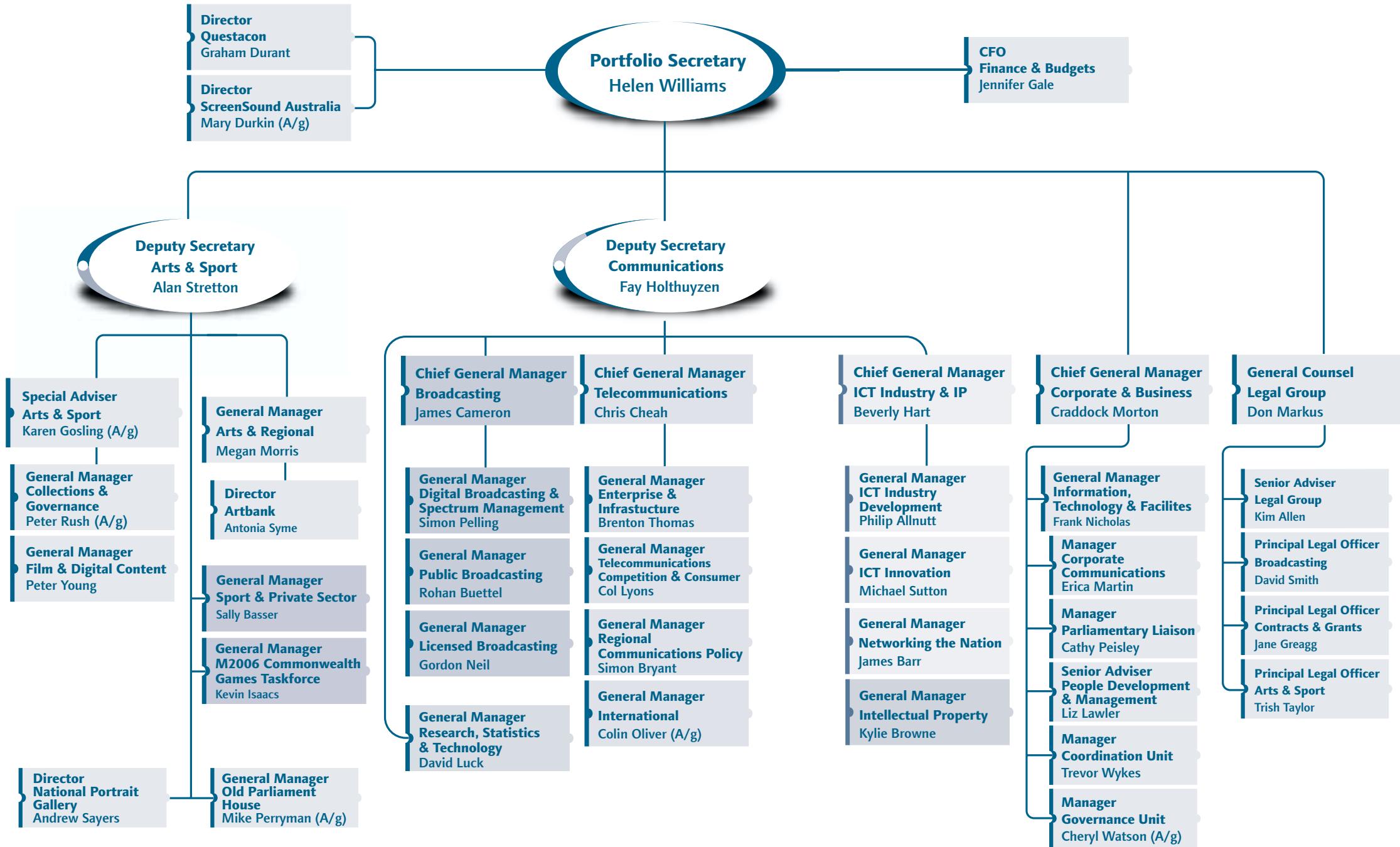
The Department is supported in its operations by the Corporate and Business Division, the Finance and Budgets Group, the Legal Group and the Communications Research Unit. The Department also has several operational groups including ScreenSound Australia—the National Screen and Sound Archive, Questacon—the National Science and Technology Centre, Artbank, the National Portrait Gallery and Old Parliament House.

The Department's organisational structure is illustrated on pages 8 and 9 and the list of agencies that make up the Communications, Information Technology and Arts portfolio is at page 12.



The Department's Executive, from L to R:
Alan Stretton, Deputy Secretary for Arts and Sport;
Helen Williams, Secretary;
Fay Holthuyzen, Deputy Secretary for Communications.

Organisational chart



Outcome and output structure

Outcome 1

A rich and stimulating cultural environment and a stronger, sustainable and internationally competitive Australian sports sector

Departmental outputs

Output 1.1 Strategic policy advice, support and awareness for the cultural and sport sectors

Output 1.2 Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary

Output 1.3 Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery

Administered items

Cultural Development Program

Educational Lending Right Scheme—Book Industry Assistance Package and Public Lending Right Scheme

Federation Fund

Sports and Recreation Program (anti-doping)

Water and alpine safety

Outcome 3

Australians value science and technology's contribution to our culture and economic prosperity

Departmental outputs

Output 3.1 Programs and exhibitions that engage people in science and technology

Outcome 2

Competitive and effective communications and information technology industries and services and improved access to Government information

Departmental outputs

Output 2.1 Strategic advice, policy and programs to achieve competitive and effective communications and information technology industries and services

Administered items

Regional Telecommunications Infrastructure Account
Telstra Social Bonus 2
International organisation contributions
Compensation to Société Internationale de Télécommunications Aéronautiques
ABC and SBS Digital Interference Subsidy
Government response to Telecommunications Service Inquiry
Australia's response to foot and mouth disease and other quarantine risks
National Transmission Network Residual Funding Pool
Commercial Radio Black Spots
Television Fund
Regional Equalisation Plan
Television Black Spots—Alternative Technical Solutions
Untimed Local Calls Access
National Relay Service
Universal Service
ICT Centre of Excellence Grant
Telecommunications Action Plan for Remote Indigenous Communities

Outcome 4

Increased use, enjoyment and safety of Australia's audiovisual heritage

Departmental outputs

Output 4.1 A high-quality, safe and accessible national audiovisual collection

Output 4.2 The national audiovisual collection is widely accessed by the public

Structure of the portfolio

The Minister for Communications, Information Technology and the Arts, Senator Richard Alston, and the Minister for the Arts and Sport, Senator Rod Kemp, are supported by the Department and 22 agencies in the Communications, Information Technology and the Arts portfolio.

These are:

- Australia Business Arts Foundation Limited;
- Australia Council for the Arts;
- Australian Postal Corporation;
- Australian Broadcasting Authority;
- Australian Broadcasting Corporation;
- Australian Communications Authority;
- Australian Film Commission;
- Australian Film, Television and Radio School;
- Australian National Maritime Museum;
- Australian Sports Commission;
- Australian Sports Drug Agency;
- Bundanon Trust;
- Film Australia Limited;
- Film Finance Corporation Australia Limited;
- National Archives of Australia;
- National Gallery of Australia;
- National Library of Australia;
- National Museum of Australia;
- National Office for the Information Economy;
- NetAlert Limited;
- Special Broadcasting Service Corporation; and
- Telstra Corporation Limited.

Contact details for these agencies are contained in Appendix 2 of this Annual Report.

More information

This report and further information about the Department and its role and initiatives are available online at www.dcita.gov.au, under 'Publications'.

Inquiries about the Department's Annual Report should be directed to:

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Outcome 1

A rich and stimulating cultural environment
and a stronger, sustainable and internationally
competitive Australian sports sector



Resources for outcomes—Outcome 1

	(1) Budget* 2002–03 \$'000	(2) Actual expenses 2002–03 \$'000	Variation (column 2 minus column 1) \$'000	Budget 2003–04** \$'000
Administered expenses (including third party outputs)	166,662	159,603	(7059)	151,403
Total administered expenses	166,662	159,603	(7059)	151,403
Price of departmental outputs				
Output 1.1 Strategic policy advice, support and awareness for the cultural and sport sectors	31,775	29,467	(2308)	29,470
Output 1.2 Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary	458	513	55	0
Output 1.3 Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery	13,731	16,582	2851	15,622
Revenue from Government (appropriation) for departmental outputs	36,831	37,073	242	37,189
Revenue from other sources	9133	9489	356	7903
Total price of outputs	45,964	46,562	598	45,092
TOTAL FOR OUTCOME 1 (Total price of outputs and administered expenses)	212,626	206,165	(6461)	196,495

Average staffing level	2002–03	2003–04
Average staffing level	229	259#

Notes for: Resources for outcomes—Outcome 1 are on the following page.

* Budget estimates as at 2002–03 Portfolio Additional Estimates Statements

** Budget estimates are as at 2003–04 Portfolio Budget Statements.

Staff numbers reflect a reallocation of overheads.

Note: There are changes in the outcome and output structure in 2003–04. For the purposes of comparison in this Report these changes have been amended to fit the 2002–03 outcome and output structure.

The 2003–04 changes are:

- Output 1.1 in 2003–04 does not include the Sports component, which is the new Output 2.1 under Outcome 2.
- Output 1.2 will cease to exist as Centenary of Federation in 2003–04 hence no comparison.
- Output 1.3 covering Old Parliament House and the National Portrait Gallery becomes Output 1.2 in 2003–04.
- ScreenSound, which was included in the Output 1.2 in the 2003–04 Portfolio Budget Statements, has since been transferred to the Australian Film Commission effective from 1 July 2003.
- Questacon, which was included in the Output 1.3 in the 2003–04 Portfolio Budget Statements, has since been transferred to the Department of Education, Science and Training effective from 1 July 2003.

Performance indicator index

Performance indicator	PBS page reference	Annual Report page reference
Departmental outputs		
Output 1.1 Strategic policy advice, support and awareness for the cultural and sport sectors.	39	27
Output 1.2 Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary.	40	31
Output 1.3 Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery.	40	32
Administered items		
Cultural Development Program	38	36
Educational Lending Right Scheme – Book Industry Assistance Package and Public Lending Right Scheme.	39	40
Federation Fund	39	41
Sports and Recreation Program (anti-doping)	39	41
Water and alpine safety	39	42

EFFECTIVENESS

Overall achievement of the outcome

The promotion of excellence and access to the arts and culture for all Australians

The Department provides strategic advice to the Government on a range of arts and sport issues, administers a number of programs, supports the work of arts and sports portfolio agencies and manages the Department's operational groups—Old Parliament House, the National Portrait Gallery and Artbank.

Increasing level of private sector support for the arts

A cohesive framework is in place to facilitate private sector support for the arts

Level of private sector support to the cultural sector through philanthropy and sponsorship

The Government has established an integrated framework to facilitate private sector support for the arts through:

- the Australia Business Arts Foundation (AbaF), a wholly owned Australian Government company whose objective is to increase private sector support for cultural activities; and
- the Australian Government's cultural philanthropy programs:
 - the Register of Cultural Organisations (ROCO), which allows approved cultural organisations to offer tax deductions to donors for the value of their donations; and
 - the Cultural Gifts Program (CGP), which provides tax deductions to donors for donations of significant cultural items to public museums, libraries and art galleries.

During 2002–03, AbaF has effectively facilitated increased private sector participation in a range of activities, including a significantly increased number of business/arts partnerships as outlined in Table 1. With the implementation of AbaF Council's Arts and Business program, there has been a greater focus on the specific areas of smaller and local arts organisations and businesses than on providing general workshops during the year.

TABLE 1: Private sector participation

AbaF activities	2001–02	2002–03
Business representatives attending Business Arts Exchange events.	301	380
Business arts partnerships directly assisted:		
AdviceBank	5	39
Other partnerships	35	42
Total partnerships	40	81
Cultural organisations attending business case training:		
General workshops	128	113
Councils, arts and business	0	35
Total attendees	128	148

The philanthropy programs have also been effective in facilitating private sector support. As outlined in the table below, the value of private sector donations through the CGP during the year increased by 60 per cent compared with 2001–02, building on an increase of 51 per cent between 2000–01 and 2001–02.

TABLE 2: Private sector donations

Value of donations	2000–01 \$million	2001–02 \$million	2002–03 \$million
Cultural Gifts Program (considered by Committee on Taxation Incentives for the Arts)	18.2	27.5	44.0

The significant increases in donations to the CGP over time (see Table 2) are partly attributable to the Government's enhancements to the tax philanthropy provisions in May 2000, which included the introduction of capital gains tax exemptions and apportionment of deductions over five years for donations under the CGP. The Department has also vigorously promoted the CGP and the benefits of the enhancements for donors.

Full-year data on donations to organisations listed on the ROCO are not yet available for 2002–03. In the first half of 2002–03 donations to ROCO organisations totalled \$10.9 million, compared with \$11.3 million for the first half of 2001–02. However, it is not possible to assess at this stage how the full-year figures for 2002–03 will compare with 2001–02.



Members of the Department's Film and Digital Content Branch.
L to R: Katerina Grant, Matasha McConchie, Tim Reeves, Melissa Jordan and Rob Hall.

Improved access to cultural activities

A diversity of cultural activity available in regional and remote areas*

Number and geographic range of tours of performing arts, contemporary music and cultural exhibitions and festivals assisted*

Trends in the numbers of visitors to international exhibitions that have been indemnified by the Australian Government

Level of domestic audience reach by the Australian Government film and television investments

Level of online access to cultural information

(*These indicators are for administered items)

National touring programs

The Government supports a number of cultural activities that provide improved access, particularly in regional and remote areas. During 2002–03, the Minister for the Arts and Sport approved funding of more than \$6.8 million through the national touring programs for approximately 170 cultural projects:

- through the Playing Australia program, the Minister approved funding of \$4 195 794 for 49 performing arts tours including theatre, opera, comedy and circus, compared with \$3 768 860 to 36 tours in 2001–02. Itineraries for the approved projects include 184 regional and remote towns;
- through the Festivals Australia program, the Minister approved funding of \$921 387 for 70 cultural projects compared with \$1 048 807 for 72 projects in 2001–02. Of 63 projects funded in 2002–03, 55 will take place in regional and remote areas;
- through the Visions of Australia program, the Minister approved funding of \$1 473 697 for 22 touring exhibitions and seven development applications compared with \$1 510 039 for 21 touring exhibitions and ten development applications in 2001–02. Visions of Australia projects funded in 2002–03 will tour to 126 regional and remote towns; and
- in the first round of the Contemporary Music Touring Program, the Minister approved funding of \$215 561 for 24 projects to undertake music touring activities around Australia, including visits to 238 venues in regional and remote areas.

The Department receives information on visitor numbers to funded events when projects are acquitted. This data covers tours funded in previous years as well as projects funded and completed in 2002–03.

For example, Playing Australia projects acquitted during 2002–03 showed that more than 143 000 people had attended 27 touring productions to 114 regional and remote locations during the year.

Visions of Australia touring projects acquitted during 2002–03 showed that more than 486 000 people had attended 30 funded touring exhibitions at 188 regional and remote venues.

The touring programs provided access to exhibitions and productions in both metropolitan and regional locations across the country. Table 3 provides information on the number of locations visited by touring exhibitions and productions in 2002–03 and 2001–02 respectively.

TABLE 3: Number of metropolitan (M) and regional (R) locations visited by touring exhibitions and productions
2002–03

Program	ACT M R*	NSW M R	Vic M R	SA M R	QLD M R	NT M R	WA M R	TAS M R
Playing Australia	15 0	31 151	39 141	17 44	15 159	17 27	19 95	11 28
Visions of Australia	8 1	16 64	22 50	17 4	16 52	4 4	6 14	6 5
Contemporary Music Touring Program	10 0	28 81	22 54	16 12	15 59	4 12	12 36	1 1

2001–02

Program	ACT M R*	NSW M R	Vic M R	SA M R	QLD M R	NT M R	WA M R	TAS M R
Playing Australia	8 0	20 81	41 91	17 49	5 71	4 9	14 52	9 52
Visions of Australia	6 1	26 59	23 37	9 4	20 38	6 4	8 12	8 13
Contemporary Music Touring Program	- -	- -	- -	- -	- -	- -	- -	- -

*Metropolitan locations include capital cities. In the context of the ACT, 'regional' is defined as Jervis Bay.

Regional Arts Fund

The objective of the Regional Arts Fund (RAF) is to encourage and support community cultural development in regional Australia, and to increase access to information and skills development opportunities for artists in regional communities. Regional Arts Organisations (RAOs) in each State and arts ministries in the Northern Territory and the Australian Capital Territory manage RAF on behalf of the Department and are responsible for decisions about funding.

The Government provided further funding for three years for the RAF in the 2001–02 Budget. The year 2002–03 was the first full year of operation of the renewed RAF.

The Minister for the Arts and Sport announced 179 community arts grants during the year, including:

- arts development in remote Indigenous communities (Western Australia);
- development of theatrical work exploring local community issues (Queensland); and
- a children's arts festival (Tasmania).

A break up of grants provided in 2002–03 is at Table 4.

TABLE 4: Regional Arts Fund grants

Regional arts organisation	2002–03 funding	Community arts project grants *	Total amount of community arts project grants
Country Arts WA	\$391 800	19	\$343 701
Queensland Arts Council	\$391 800	14	\$232 140
Regional Arts NSW	\$391 800	15	\$213 372
Regional Arts Vic	\$391 800	28	\$260 382
Country Arts SA	\$326 500	28	\$181 494
Tasmanian Regional Arts	\$175 000	37	\$198 582
Arts NT	\$215 000	38	\$205 395
Arts ACT	\$45 000	0#	\$0#
TOTAL	\$2 328 700	179	\$1 635 066

* Community Arts Project grants announced during 2002–03. Some grants have been made from 2001–02 rather than 2002–03 allocations to RAOs. Includes some two-year grants.

Funds rolled over to 2003–04

Regional Arts Fund grants were also provided to the Australia Council and Regional Arts Australia (RAA) during the year as follows:

- the Council received \$100 000 which was allocated to the Queensland Biennial Festival of Music; and
- RAA received \$70 000:
 - \$35 000 for the National Regional Arts Conference 'Groundswell' held in Albury in October 2002; and
 - \$35 000 for a forthcoming publication on regional arts stories.

Artbank

Artbank supports contemporary Australian artists through the acquisition of their works and promotes Australian art through a rental scheme, which gives the private and public sector access to the Artbank collection.

In 2002–03, Artbank acquired 219 new works from 129 artists, valued at \$618 373. As at 30 June 2003, there were 5822 Artbank works on display for 552 clients throughout Australia and in Australian posts overseas. This represents a slight decline from 6030 works on display with 563 clients as at 30 June 2002.

While overall client numbers were similar to those for 2001–02, Artbank attracted new clients from a range of locations including its first client located in the Northern Territory, and new public and private sector clients in regional New South Wales, Queensland, Tasmania and Victoria. Revenue from private sector clients increased from 42.7 per cent in 2001–02 to 44.9 per cent in 2002–03.

Kiripuranji: Contemporary Art in the Tiwi Islands, the touring exhibition curated by Artbank, was launched in July 2002. The exhibition toured Australian Embassies and High Commissions throughout the South Pacific during the year and during 2003–04 and 2004–05, it will tour to South East Asia, Europe and Africa. The exhibition provides international access to Artbank's collection and has been well received.



Artbank staff carefully examine two new purchases by Perth artist, Kevin Robertson. His *Cloud Play* hangs above *Day Breaker, Summer*.

Photo by David Hickling, Artbank.

Art Indemnity Australia

Art Indemnity Australia helped to provide access to significant artworks during the year. The Australian Government indemnified two exhibitions predominantly sourced from overseas: *Pierre Bonnard, Observing Nature* and *The Italians: Three Centuries of Italian Art*. The scheme also indemnified *Out and About*, which showcased the best of the National Gallery of Australia's collections to regional Australia. The exhibitions toured to 13 locations in all States and Territories, including the Araluen Centre for the Arts in Alice Springs, the Queen Victoria Museum and Gallery in Launceston and the Mornington Peninsula Regional Gallery in Victoria.

Exhibitions indemnified by the Australian Government during 2002–03 attracted approximately 591 000 visitors. This compared with approximately 600 000 visitors to five exhibitions indemnified by the Australian Government in 2001–02. The slight decline in visitor numbers can be attributed to fewer exhibitions being indemnified in 2002–03, and the popularity of exhibitions held during 2001–02 as the Centenary of Federation year.

Australian Government film and television investments

In the 2002 calendar year¹, the 19 subsidised Australian films that were released earned \$41.8 million at the Australian box office. This figure represents 4.9 per cent of the total cinema takings. This compares with 23 Australian films earning \$63.4 million at the box office during the 2001 calendar year, representing 7.8 per cent of total cinema takings.

The difference in performance during 2002 is due in large part to the market dominance of three United States blockbuster 'event' films: *Lord of the Rings: the Two Towers*, *Star Wars Episode 2: Attack of the Clones* and *Spiderman*.

The overall performance of Australian films was solid, with three films (*Crackerjack*, *Rabbit Proof Fence*, *Dirty Deeds*) earning over \$5 million each. In the first half of 2003, three more subsidised Australian films have had successful releases in terms of box office and/or critical response—*Ned Kelly* (over \$8 million), *Fat Pizza* (around \$3.5 million) and *Alexandra's Project* (over \$650 000).

¹ The Australian Film Commission information is collected on the basis of calendar years to reflect the industry's cycles. Details for the first half of 2003 will be available in November 2003.

In 2002–03, 61 television and film productions funded by the Film Finance Corporation Australia (FFC) were screened on television, including *The Postcard Bandit*, which attracted over 1.6 million viewers, and *Looking For Alibrandi* with over 1.5 million viewers. This compares with 29 FFC-funded projects screened in 2001–02. The increase in the total number of projects screened in 2002–03 is due to an increased focus by the FFC on extending the audience reach for documentary productions.

Online access to cultural information

The Culture and Recreation Portal (CARP) provides access to the websites of cultural and recreational organisations and provides services and resources for those organisations. In 2002–03, CARP received approximately 1.5 million visitors, a level similar to 2001–02. CARP provided access to 2521 cultural websites at 30 June 2003 compared with approximately 2000 at 30 June 2002.

The Department administers arrangements for the delivery of Australian Museums and Galleries Online (AMOL) website on behalf of the Cultural Ministers Council. By 30 June 2002, AMOL had achieved its target of 1250 cultural organisations participating in AMOL's National Guide², which increased to 1268 cultural organisations by 30 June 2003.

The AMOL site continued to increase in popularity, averaging 2450 users per day during the first quarter of 2003, an increase of 48 per cent compared with the same period in 2002, and substantially above the average of 1625 users per day during 2001–02.

Support the development of a cohesive, world-class sport and leisure industry

Maximise export opportunities for sport and leisure industry products and services

Raise awareness and cohesion of the sport and leisure industry

Enhance industry statistics and research

Identify and promote business opportunities through membership of the Beijing 2008 Olympic Coordination Group

Liaise with the Department of Foreign Affairs and Trade to address trade barriers through current General Agreement on Trade in Services (GATS) negotiations round

Identify and assess industry statistical needs

Provide funding support to key stakeholders

Support industry association awards and schemes

Provide secretariat for sport and leisure action agenda implementation committee and the Recreation and Sport Industry Statistical Group

² The National Guide is a database of Australia's collecting organisations and their collection strengths. The Guide's aggregator functions have supported award winning tourist trails and cross-regional thematic stories.

The sport and leisure industry is an emerging industry making an increasing contribution to the Australian economy. Australian Bureau of Statistics (ABS) research shows that, in 2000–01, sport and physical recreation services generated almost \$8.5 billion in income—nearly three times the income level recorded in the previous survey, conducted in 1994–95.

During 2002–03, the Australian Government provided funding for a range of activities to support the development of the sport and leisure industry including:

- \$101 000 and other assistance to Australia Sport International (ASI) to promote Australia's sport-related businesses internationally;
- A further \$31 000 to ASI to formulate a measurement model as a basis for valuing sport and recreation exports. Results from this funding will be available in 2003–04;
- \$50 000 to Sport Industry Australia to coordinate a project assessing the economic and social benefits of sport and recreation at a domestic level. Results from the project will be available in 2003–04; and
- \$15 000 sponsorship for the Sport Export Award at the 2002 Sport Industry Awards, which promote achievements in the sports industry through the year.

During 2002–03, the Department provided secretariat services to the Recreation and Sport Industry Statistical Group (RSISG), whose aim is to improve the range, definition and quality of statistics for the sport and recreation industry.

RSISG oversaw a work plan delivered with the assistance of the ABS. Key ABS publications released during the year included *Sports Industries, Australia 2000–01* (Cat. 8686.0), *Employment in Sport and Recreation* (Cat 4148.0), and *Sport and Recreation Funding by Government* (Cat 4147.0).

The Department participated in two meetings of the Beijing 2008 Olympic Coordination Group formed by the Australian Trade Commission to encourage a cooperative approach to international trade activities associated with the Beijing 2008 Olympics and other major sporting infrastructure opportunities.

The Department also participated in three meetings of the GATS Inter-Departmental Committee. The Department and the Department of Foreign Affairs and Trade are working with ASI and industry to further trade liberalisation through the submission of a proposal under the current GATS round.



Members of the Department's Sport and Private Sector Support Branch. L to R: Paco Iglesias, Sally Basser, Kevin Thompson and Clare Poprawski.

Promotion of effective anti-doping measures in sport, both nationally and internationally

Effective administration of anti-doping grant programs

Effective representation at international anti-doping forums

Anti-doping funding directed to projects addressing agreed priorities

Effective framework in place for developing whole of Government positions for international anti-doping forums

Funding fully allocated to stakeholders in a timely manner

Australia has one of the most rigorous anti-doping regimes in the world and is committed to supporting anti-doping measures both domestically and internationally. International activity during 2002–03 included participation by the Minister for the Arts and Sport and/or Departmental officials in all six World Anti-doping Agency (WADA) Board and Executive Committee meetings.

The Minister and officials also attended two meetings of the International Intergovernmental Consultative Group on Anti-Doping in Sport (IICGADS), of which the Minister was the Co-Chair. The meetings were held in Moscow in December 2002 and in Copenhagen in March 2003 in conjunction with the World Conference on Doping in Sport. Departmental officials formed an integral part of the IICGADS Secretariat.

Australia was the primary drafter of two international anti-doping instruments, the Moscow Memorandum of Common Principles on Anti-Doping and the Copenhagen Declaration on Anti-Doping, the latter currently signed by over 70 countries with a further 28 pledged to do so. Officials in the Department coordinated international and domestic input, produced successive drafts and participated in international negotiations that led to the successful conclusion of these instruments.

The Department also had significant input to the development of the World Anti-Doping Code, coordinating responses from the Australian sporting community and other key stakeholders to various drafts of the Code. Australia's participation in these forums and its pivotal role in negotiating these two instruments has been commended by the President of the World Anti-doping Agency (WADA), Richard Pound QC.

During 2002–03, the Department administered grants under the Sport and Recreation Program (Anti-doping), whose priorities are to improve drug detection research, implement international best practice in testing and encourage international collaboration.

In 2002–03, the Australian Government provided funding of \$789 366 for four projects selected by the Anti-Doping Research Panel as most consistent with the research priorities for 2002–03 (the first year in which funded projects were selected by the Panel). All funding was allocated to the successful proponents in accordance with funding agreements.

Australia also provides support for WADA, which promotes and coordinates the fight against doping in sport internationally. Australia was among the first nations in the world to make its allocated financial contribution of \$372 634 during 2002–03.

Enhanced community awareness of and access to Australian history, culture and portraiture

Increase in understanding of Australian political history, culture and portraiture

Improved access through Old Parliament House (OPH) and the National Portrait Gallery (NPG) online activities and the NPG's touring exhibitions, publications and further development of the NPG's Circle of Friends

High-quality OPH and NPG programs, events and exhibitions which appeal to visitors and are perceived to be of a high quality as measured by visitor feedback and media commentary

Delivery of a wide range of public and education programs and exhibitions which highlight Australia's political history and cultural diversity and the development of portraiture

Public and education programs, exhibitions and events to interpret OPH as a key heritage site are attended by an increased number of people

Enhanced community access through OPH and NPG online activities, the NPG's touring exhibitions, publications and further development of the NPG's Circle of Friends

During the year, OPH and the NPG provided a range of activities for visitors to the OPH building. Details are provided under Output 1.3, on page 32.

In addition OPH, and the NPG provided a number of outreach activities. OPH provided online access to a range of resources through its website and provided improved access to the website during the year, especially for sight-impaired users or those connecting to the Internet in regional and remote areas.

The NPG's national outreach activities included:

- touring exhibitions (*David Moore: From Face to Face*, Tasmanian Museum and Art Gallery, 4 October to 17 November 2002 and *William Yang: Australian Chinese*, Brisbane City Gallery, 6 August to 13 October 2002);
- three exhibition catalogues and brochures;
- the regular *Portrait* magazine with four issues in 2002–03 and circulation increasing from 1000 to 2500;
- the growth of the NPG's 'Friends' group, *The Circle of Friends*, which is now in its second year with an approximately 90 per cent membership renewal rate. Nationwide membership increased from approximately 550 in 2001–02 to 750 in 2002–03; and
- online access through the NPG website. The NPG registered growth in use of its website, with an eight per cent increase in the numbers of page requests from 2001–02 to 2002–03.

In February 2003, OPH and the NPG were awarded the National Tourism Award in the cultural and heritage category for 2001–02. The award recognises OPH and the NPG as offering a unique experience to visitors linking history, heritage and culture to tourism.

DEPARTMENTAL OUTPUTS

Output 1.1 Strategic policy advice, support and awareness for the cultural and sport sectors

Timely and high-quality advice provided to the Government on cultural and sport matters, including legislative responsibilities, statutory and other appointments and policy matters

Policy advice

The Department provided strategic advice to the Government on a range of arts and sport matters during the year including:

- the Government's response to the Myer Inquiry into Contemporary Visual Arts and Craft;
- the Review of Cultural Agencies agreed in the 2002–03 Budget context;
- the integration of ScreenSound Australia with the Australian Film Commission from 1 July 2003. *The Australian Film Commission Amendment Act 2003* received Royal Assent on 30 June 2003;
- foreign film production in Australia, including the refundable film tax offset;
- Australia's position on the treatment of measures supporting cultural objectives in bilateral and multilateral trade agreements and international fora;
- strategic issues for the collections sector;
- regional cultural policy issues;
- anti-doping in sport;
- implementation of the national strategy for the sport and leisure industry;
- coordination of the Australian Government's involvement in the Melbourne 2005 Deaflympics Games and the Melbourne 2006 Commonwealth Games; and
- governance issues for the portfolio agencies.

Ministerial support

During 2002–03, the Department prepared 444 briefs and 690 minutes on Arts and Sport issues for the Ministers, compared with 373 briefs and 534 minutes in 2001–02. Eighty per cent of briefs and minutes were provided within the initial requested timeframe, with alternative arrangements made with Ministers' offices for the remaining 20 per cent.

The Department received 1894 items of Arts and Sport related Ministerial correspondence during the year compared with 1516 in 2001–02. In 2002–03, 1043 letters were assigned for reply with 811 replies prepared. Of those, 110 (14 per cent) were returned for redraft compared with 88 replies (13 per cent) returned for redraft in 2001–02. As at 30 June 2003, there were 61 items of ministerial correspondence requiring a reply, with 23 per cent of those overdue. This compares to 30 June 2002, when 109 items required a reply, with 25 per cent of those overdue.

The Department assisted with 117 statutory and non-statutory appointments and reappointments to portfolio agencies and advisory committees during the year. The Department provided prompt assistance on these matters. The Department also provided briefings to new directors of portfolio agencies on their responsibilities and the public sector governance framework.

The Department also provided secretariat support to the review panel which undertook an evaluation of the National Museum of Australia's exhibitions and public programs during 2002–03.

Efficient and timely program administration

Film programs

Film Tax Incentives 10B and 10BA

In 2002–03, the Department received 202 provisional applications for certification under Division 10BA of the *Income Tax Assessment Act 1936*. Ninety per cent of the applications were processed within three weeks of receipt. This resulted in 172 eligible Australian films receiving provisional certification making investors eligible to claim the 100 per cent tax deduction under the scheme. In 2001–02, the Department received 255 provisional applications and issued 233 certificates.

In 2002–03, the Department received 108 final applications for certification under Division 10BA of the *Income Tax Assessment Act 1936*, significantly more than the previous year. Sixty-eight final certificates had been issued at 30 June 2003 compared with 82 final certificates from 85 applications processed in 2001–02.

As at 30 June 2003, the Department was waiting for further information from applicants on 11 of the 42 outstanding applications, before they could be finalised. Of the remaining outstanding applications, 21 were received in the last month of the financial year. The Department gave priority to processing the increased number of applications for provisional certificates lodged during that period as film producers rely on receiving provisional certificates before the end of the financial year as prerequisites to raising investment capital.

Foreign Actors Certification Scheme

The Department processed 76 applications providing certificates for 321 foreign actors coming to Australia to work on film and television productions. Of the complete applications received, 100 per cent were processed within the target time limit of five working days. The number of certificates issued in 2002–03 was seven per cent higher than in 2001–02.

Refundable Film Tax Offset

During the year, the Department received two applications under the Refundable Film Tax Offset Scheme—one for a certificate of eligibility for the tax offset and one for a provisional certificate of eligibility. Both applications were processed well within the published target timeframe of ten weeks as indicated in the guidelines.

Philanthropy programs

Cultural Gifts Program

The Department processed 746 new donation submissions and 62 valuer applications during 2002–03 compared with 484 new donation applications and 73 valuer applications in 2001–02. All applications were processed to ensure that they were submitted to the next Taxation Incentives for the Arts Committee meeting.

Register of Cultural Organisations

The Department assessed 82 applications for the Register of Cultural Organisations (ROCO) during 2002–03 compared with 75 in 2001–02. All applications were assessed against ROCO eligibility criteria and eligible applications were submitted in a list to the Minister for the Arts and Sport and the Minister for Revenue and Assistant Treasurer for their consideration every three to four months.

Register of Cultural Organisations and Cultural Gift Program clients are familiar with the provisions of the programs, including the new philanthropy measures

In order to raise awareness of the programs the Department implemented an enhanced communications strategy in 2002–03, which included:

- a significant update of promotional materials;
- 23 advertisements in a range of arts and finance media; and
- a ministerial letter to all Federal MPs and Senators, and State/Territory Arts Ministers.

During the year there was greater participation in the philanthropy programs. The number of organisations on the Register increased by 46 to 891 over 2002–03 and the reach of the Cultural Gifts Program was broader, with participating institutions increasing from 373 to 390 during the year.

Customer satisfaction with service delivery, using outcomes of Department's client survey in relation to the Arts and Sport—part of the review of the Service Charter

Information on the outcomes of the Department's Client Service Charter survey is provided at page 119.

Produce quality research and statistics to support the cultural and sport sectors

The Australian Government's contribution of 50 per cent of the funding of the Cultural Ministers Council Statistics Working Group (SWG) supported the cultural statistics activities of the Australian Bureau of Statistics (ABS), including the ongoing production of core cultural statistics by the ABS.

This program provides information required for an understanding of developments in the cultural sector. The contribution also funded a number of SWG projects which included work on estimating the retail sales value of Indigenous art and craft and the economic impact of cultural tourism. These projects address significant data deficiencies in high priority cultural areas.

The Department provides secretariat support for SWG's activities including two meetings during the year. Information on the work of the Recreation and Sport Industry Statistical Group is provided under *Support the development of a cohesive, world-class sport and leisure industry* at page 23.

Coordination mechanisms for the provision of Australian Government security and non-security support to the Melbourne 2006 Commonwealth Games are established

Extent to which Australian Government position and guidelines on provision of security and non-security services to support the staging of the Melbourne 2006 Commonwealth Games are defined

The Minister for the Arts and Sport chairs a Ministerial Committee, convened to consider the Australian Government's non-security support to the Melbourne 2006 Commonwealth Games (M2006 Games). The Treasurer, the Minister for Finance and Administration and the Minister for Justice and Customs are also members of the Committee.

The Ministerial Committee met in February 2003 to consider the national benefits and legacies that the Australian Government could derive through its involvement in the M2006 Games, and the policy positions and guidelines Australian Government agencies should adopt when providing specific non-security services.

A High Level Officials Group (HLOG) was also established during the year to provide advice and support to the M2006 Ministerial Committee. The HLOG, which is chaired by the Secretary of the Department of Communications, Information Technology and the Arts, met twice during the year.

The M2006 Inter-Departmental Committee continued to meet as necessary to convey information to relevant Australian Government agencies. A M2006 Communications Working Group was established to develop a whole-of-government communications strategy for the Australian Government's involvement in the M2006 Games.

In November 2002, the Government decided that M2006 security matters would be addressed through existing Australian Government security coordination mechanisms.

At the working level, representatives of relevant Australian Government agencies will convene in a M2006 Security Working Group established under the auspices of the Australian Government Counter-Terrorism Committee.

Output 1.2 Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary

Degree of satisfaction of the National Council and the Minister with Secretariat services, quality and timeliness

Degree to which the communications strategy and the celebratory activities are effectively integrated to ensure widespread community knowledge and interest in the activities and the delivery of activities that are relevant to the community

The effective and efficient administration of the History and Education program

Levels of awareness across the community of the centenary and proposed celebratory activities increase (as measured by the community sample surveys)

The range of national celebratory activities are delivered around the country (featuring at least one major event in each State and Territory) and across the year (featuring a major event approximately every month of 2001) leading ultimately to widespread community involvement

The performance indicators for Output 1.2 refer to activities about which the Department reported in 2001–02. The National Council for the Centenary of Federation was disbanded in March 2002. However, minor funding was provided in 2002–03 to support finalisation of the program.

Through its History and Education Program, the Council offered grants to support projects encouraging Australians to gain a better understanding of the events leading to Australia's Federation, reflecting on the changes that had taken place in Australia in the past 100 years and looking ahead to Australia's future as a nation. All 120 projects funded under the program were completed by 30 June 2003.

The Council's website has been archived by the National Library of Australia's Pandora Archive and may be accessed at: www.centenary.gov.au.

Following the success of the *Peoplescape* concert and installation of November 2001, a book was published in late 2002 by Hardie Grant Books in conjunction with the National Council for the Centenary of Federation. *The Peoplescape, celebrating Australians* was written by Michael McKernan and tells the story of the *Peoplescape*. It includes images of the installation as well as the individual figures together with an index of those nominated and of the name of the nominator.

Output 1.3 Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery

Interpretation of OPH as a key heritage site in accordance with the OPH Interpretation Plan

Major interpretation of two key heritage spaces; four OPH exhibitions; commemoration of the 75th anniversary of OPH with a program of events, activities and public programs; six oral history interviews; six NPG exhibitions, with a range of educational and public events and activities to complement each exhibition; one NPG seminar; and a sponsored NPG anniversary lecture with a speaker of international status

Enhanced visitor experience through delivery of high quality visitor services, exhibitions, public and education programs at OPH and the NPG

Both OPH and the NPG offered a range of popular and well-received exhibitions, programs, tours and related activities and services in 2002–03. Visitor feedback, exit surveys and program evaluations showed positive responses, with 98 percent of visitors rating their experience as very good or good.

OPH undertook six key interpretation projects during the year including:

- interpretive panels in the Lobbies, reinterpretation of the Opposition Lobby, Senate, Government Party Room and President of the Senate Suite;
- interpretation of rooms representing the Liberal, Labor and National Parties (scheduled for completion in November 2003); and
- a self-guide interpretive pathway on women in the House.

The OPH Oral History Program—a valuable tool in increasing historic knowledge and facilitating interpretation of OPH—recorded 19 interviews this year, up from eight in 2001–02. Highlights of this year's program include a series of interviews with four former House of Representatives Clerks.

By comparison to six major and four minor exhibitions in 2001–02, OPH presented nine major exhibitions during 2002–03:

- *Icons: Images of 20th Century Architecture*;
- *Our House: The Story Of Old Parliament House*;
- *National Schools Banner Competition exhibition*;
- *Seat of Power*;
- *Playing Politics: The Cartoons of Pickering & Pryor*;
- *In the Picture*;
- *Salt of the Earth*;
- *The Other Side of the Ditch*; and
- *Pierre Trudeau—1968–84*.



A range of relevant public programs, such as floor talks and four 'Night Sittings' panel discussions complemented exhibitions. OPH adopted a policy of assessing and evaluating all future exhibitions and programs during the year. Forward evaluation of major initiatives helps to inform decisions about exhibition development and content, as well as marketing strategies.

Enhanced visitor services provided by OPH during the year included:

- several new visitors' publications, including self-guided brochures in German, Japanese, Chinese and French and a self-guide brochure on the role of women in the House;
- a new family-oriented area and further Museum Theatre presentations focused on attracting family audiences;
- new tours and interpretive talks (a specialist political history tour and a talk about the Speaker's Chair); and
- new student programs were developed and existing programs and educational materials modified.

The NPG presented nine exhibitions during 2002–03, a reduction from 11 exhibitions in 2001–02. While there were fewer exhibitions in 2002–03, they were generally more substantial than in the previous year:

- *Sir William Dargie: 90th birthday tribute exhibition*;
- *The Story So Far...National Portrait Gallery Collection*;
- *Bill Brandt: A Retrospective*;
- *Being Me: Headspace III*;
- *Contemporary Australian Portraits (presented at Commonwealth Place)*;
- *Rarely Everage: The lives of Barry Humphries*;
- *POL: Portrait of a Generation*;
- *Lewis Morley: Myself and Eye (presented at Commonwealth Place)*; and
- *Max Dupain: The Vintage Years*.

The 2002–03 exhibition program both built on existing strengths (such as *The Story So Far...*) and explored new areas for the NPG. For example, *Rarely Everage* was the first NPG biographical exhibition, and possibly a world-first as a biographical exhibition on a living subject.

The NPG presented three lectures, nine seminars and one symposium during the year:

- a symposium, *Art Museums: Sites of Communication* was presented in partnership with the National Gallery of Australia on 14 and 15 March 2003, with 200 attendees;
- as part of Adult Learners Week, the NPG held four Learning Circle Workshops in September 2002, with 120 attendees;
- Sir Roy Strong, previously the Director of the NPG London and the Victoria and Albert Museum, gave a lecture, entitled *The Artist, the Banquet and the Garden*, to 350 guests on 11 February 2003, and also gave lectures in Melbourne, Adelaide, Sydney and Brisbane for the NPG to a further 1700 people; and
- James Elkins (Chicago School of Art Institute Professor of Art History, Theory and Criticism) presented *How Portraits Work* to 343 attendees on 14 June 2003.

This compared with six lectures and nine seminars in 2001–02. The events were well received—a number of Sir Roy Strong's lectures were sold out and the symposium generated positive feedback from industry peers.

Further development of a national portrait collection recognised for its national inclusiveness and quality

Relative increase in donations of works of art, project sponsorship and acquisition funds to the NPG

The NPG continued to develop its permanent collection, which consisted of 563 works (352 gifts and 211 purchases and commissions) as at 30 June 2003. The assessed value of the collection at the end of 2002–03 was \$10.4 million. During the year the NPG acquired 136 works, including 101 gifts, for the collection. This compared with 243 acquisitions in the previous year, including 174 gifts.

Particularly significant additions to the NPG collection during 2002–03 included:

- gift of six portraits from Coles Myer Limited;
- gift of 13 portraits of art from John Fairfax Holdings Ltd;
- gift of David Strachan's portrait of Kenneth Rowell (transferred from the Art Gallery of New South Wales—gift of Margaret Olley);
- gift and purchase of 31 photographs by Max Dupain;
- photographs (Australian subjects) from Lewis Morley's exhibition *Myself & Eye*;
- *Self-portrait* and portrait of *Ambrose Patterson* by Hugh Ramsay; and
- *Dame Joan Sutherland* by Robert Hannaford.

Portraits of business people was one area in which the collection showed particularly strong growth during the year. The NPG's growing reputation was also evidenced by requests for loans of six works from its permanent collection.

Further development of the NPG as a centre for understanding of Australian portraiture and history

The November 2002 opening of the Commonwealth Place Gallery Annex, with its additional exhibition space and specific focus on contemporary Australian portraiture, has strengthened the NPG's role as a centre for the understanding of Australian portraiture and history.

Since the opening of Commonwealth Place, a number of successful educational programs have been delivered to upper secondary and tertiary students. The NPG also hosted professional development programs for schoolteachers and presented a range of public and educational programs.

Wider national reach of NPG programs, in particular through travelling exhibitions and through publications, catalogues and online programs

The NPG received several Museums Australia Publications Design Awards, celebrating excellence in design and communications of museum publications across regional and metropolitan Australia, including:

- exhibition and collection catalogue—*So You Wanna be a Rock Star* (highly commended) and *Salvatore Zofrea: Fifty Portraits* (short listed);
- poster and calendar—*Rarely Everage* (winner) and *Bill Brandt* (highly commended);
- magazine and newsletter—*Portrait* (winner);
- promotion—*Rarely Everage* (winner); and
- website—*Rarely Everage* (highly commended).

Details of the NPG's travelling exhibitions and outreach activities are provided at the under *Enhanced community awareness of, and access to, Australian history, culture and portraiture*, on page 26.

Increase in visitor numbers and the numbers of school groups participating in OPH and NPG education programs

Total visitor numbers in 2002–03 to OPH and the NPG Commonwealth Place Annex were 189 714. Visitor numbers to the OPH building dropped six per cent compared to 2001–02, from 171 489 to 161 213. However, since opening in November 2002, the NPG Annex has attracted 28 721 visitors. Total visitor numbers to the OPH building and the NPG Annex show a ten per cent increase on 2001–02 visitor numbers.

While overall visitor numbers to the Australian Capital Territory (ACT) were generally maintained in June–December 2002, a significant decrease of approximately 20 per cent occurred from January 2003, following the ACT bushfires. The drop in visitors to the OPH building is primarily attributable to a decrease in interstate visitation, consistent with declines in visitor numbers to all major ACT attractions.

School visitors to OPH increased slightly from 31 121 in 2001–02 to 31 575. Forty-one per cent of all interstate school groups visiting Canberra visit OPH, making it one of Canberra's most popular attractions for students. Feedback from surveys indicates that teachers are also very satisfied with their students' experience at OPH.

Conservation of OPH is carried out in accordance with the OPH 2000 Conservation Management Plan and heritage studies

Research and planning for projects such as the conservation of the original OPH kitchens

Repairs and maintenance of OPH are carried out in accordance with the OPH Master Building Plan

During the year, OPH developed and implemented a new five-year Capital Works Plan for a program of major refurbishment and restoration. The Capital Works Plan replaced the earlier Master Building Plan for OPH. A total of \$2 991 000 in major capital works projects was expended in 2002–03.

Major projects commenced included:

- replacement of the roof at the front of the building;
- refurbishment of key exhibition spaces, the old Private Dining Rooms and upper floor of the Senate Wing;
- heritage analysis and scoping of works for the restoration of the Old Kitchens; and
- essential mechanical, plumbing and electrical services projects such as the removal of old and potentially hazardous wiring.

These works followed appropriate research and planning and address a range of conservation issues, occupational health and safety needs and emergency services requirements.

In addition to expenditure of \$267 000 for building conservation works (included in the capital works expenditure noted above), \$163 000 was expended on conservation works for the OPH furniture collection during 2002–03.

Major conservation works undertaken during the year included:

- maintenance of the Senate Wing upper floor and retention of its key heritage fabric;
- ongoing floor coverings conservation works; and
- conservation of the heritage furniture collection and general preventative conservation measures.

Such works ensure the ongoing preservation and integrity of the OPH building while also facilitating public display and access. All works were carried out in accordance with OPH's Conservation Management Plan, international standards and the legislative requirements of the *Australian Heritage Commission Act 1975*.

ADMINISTERED ITEMS

Cultural Development Program (including grants to cultural agencies and support for cultural activities)

A total of \$37.26 million was allocated to the Cultural Development Program (CDP) in 2002–03 for a range of cultural activities, including the national cultural and touring programs and support for cultural organisations such as the national arts training institutions, Film Australia Limited, and the Australia Business Arts Foundation. Distribution of CDP funding is approved by the Minister on an annual basis.

Specialist advisory committees appointed by the Minister for the Arts and Sport assessed applications for the cultural and touring programs against approved guidelines and made recommendations to the Minister on which projects should be approved.

The Committees were supported by departmental secretariats. Feedback on the secretariats' performance was very positive in terms of the overall quality and timeliness of advice and services provided by the Department.

Extent of compliance by grantees with funding agreement

The Department provides funding in accordance with agreements that require grantees to meet rigorous accountability and reporting requirements.

During the year, 94 per cent of Visions of Australia grantees and 90 per cent of Playing Australia grantees fulfilled their funding obligations. While comparative figures are not available for 2001–02, compliance by applicants for funding under these programs is consistently high. This is because many applicants seek funding more than once and applicants are ineligible if previous Australian Government grants have not been acquitted.

Of Festivals Australia grantees, 65 per cent fulfilled their funding obligations compared with 31 per cent in the previous year. Lack of compliance generally relates to failure to acquit grants within three months from the end of the tour or festival. A number of Festivals Australia acquittals were outstanding at 30 June 2003. The Department reminded grantees of their obligations to acquit their grants, noting that many acquittals are received within a few weeks of the deadline. The first round of Contemporary Music Touring Program grants were approved in 2002–03 with first acquittal reports due in 2003–04.

Seven arts training organisations received total Australian Government funding of \$11.9 million during 2002–03. The National Institute of Dramatic Art, the Australian Youth Orchestra, the Australian Ballet School, the National Institute of Circus Art, the Australian National Academy of Music and the Flying Fruit Fly Circus fully complied with the terms of their funding agreements. The Department provided assistance to the National Aboriginal and Islander Skills Development Association in meeting its funding obligations in light of governance issues identified during the year.

Other funded organisations such as the Australia Business Arts Foundation (AbaF), Film Australia and AusFILM complied fully with the terms of their funding agreements. The Department identified some minor issues for the Australian Children's Television Foundation (ACTF) in relation to separate ledger requirements for Australian Government funds. These issues will be resolved during 2003–04.

The cultural organisations funded under the CDP achieved a number of outcomes consistent with the terms of their grants during the year:

- there were 95 graduates of the training institutions compared with 91 in 2001–02. (These figures do not include the Australian Youth Orchestra and the Australian National Academy of Music as they do not offer degrees to students, nor the National Institute of Circus Arts as its first intake of students will not be graduating until 2003);
- there were 4007 applications for placement in the training institutions, an increase of 13 per cent compared with 3561 applications in 2001–02. These resulted in 628 successful applicants compared with 754 in 2001–02, a decrease of 17 per cent compared with that year but an increase of nine per cent compared with 2000–01;
- Film Australia delivered 21 National Interest Program titles by 30 June 2003, consistent with its obligations to produce 100 programs under its five-year contract with the Department; and
- production funding was approved by the ACTF for *Holly's Heroes* and script development funding provided for ten projects.

Funding delivered promptly to recipients in accordance with funding agreements

The Department provides funding to grantees as outlined in funding agreements, which specify the timeframes in which grant instalments will be paid (timeframes vary according to the nature of the grant).

The Department achieved 100 per cent compliance in providing funding within the timeframes specified in funding agreements to all cultural organisations which receive funding through the CDP, including the arts training institutions, Film Australia, the ACTF, AusFILM and AbaF. This is consistent with the Department's performance in 2001–02.

In 2002–03, the Department provided 100 per cent of grant instalments for the cultural and touring programs, Playing Australia, Festivals Australia and Visions of Australia, in accordance with funding agreements. This is consistent with the Department's performance in 2001–02.

The Department requires evidence of current public liability insurance before finalising funding agreements. However, as at 30 June 2003, 30 per cent of Contemporary Music Touring Program clients had not finalised their public liability obligations, because of low levels of pre-existing public liability insurance. This led to delays in the Department finalising agreements and making grant payments to those clients.

Cultural Ministers Council (CMC) and stakeholders are satisfied with the management of National Collections Advisory Forum Secretariat and work program

The National Collections Advisory Forum is convened and advice on its terms of reference is provided back to the CMC

The National Collections Advisory Forum met three times in 2002–03 and reported to both the CMC Standing Committee and the CMC during the year.

The Forum prioritised the following items on its work program:

- a feasibility study on a representative industry body for the collections sector;
- the development of a National Collections Strategy;
- the development of significance training materials for volunteers;
- a pilot project to test the feasibility of a regional outreach network; and
- a feasibility study on developing collections management benchmarks for the sector.

CMC endorsed the work program at its March 2003 meeting and asked that the Forum report back to Ministers in August 2003 on the feasibility of establishing an industry body to represent the collections sector.

Feedback from the Chair of the Forum, Professor Margaret Seares, during the year has been very positive, including in relation to the timeliness of secretariat services and the quality of advice provided to the Forum.

Percentage of Indigenous communities notified of the existence of their cultural property in Australian and State Government museums compared with the number of communities' cultural property represented in these museums' collections

The Department manages the Return of Indigenous Cultural Property (RICP) program for the CMC. Participating museums have advised that 80 per cent of all relevant communities have been notified of their holdings, and provenance research on the remaining holdings will continue in 2003–04.

The RICP program has now been extended to December 2005, reflecting the complex nature of the repatriation process and the need to ensure that Indigenous communities are appropriately consulted and have the opportunity to participate in the repatriation of their cultural property.

Targeted online resources meet the key needs of regional collecting institutions

Australian Museums and Galleries Online (AMOL) redevelopment scoped and expansion to cover the collection sector commenced

To assist regional collecting institutions, AMOL currently provides a range of resources including:

- search access to 92 collections and 500 000 object records under the *Open Collections* facility;
- communication support through the *Museum Forum*;
- resources and training, including digitisation, support through *Museum Craft* and *Discovernet* – a gateway to museum education resources; and
- thematic case studies and other products including the *National Exhibition Venues Database*, *ResourceFinder*, *reCollections*, *BePrepared*, *Significance* and *TOUR* (refer www.amol.org.au).

At its May 2002 meeting, the CMC agreed that the Department would manage a Business Analysis Review of the AMOL website to inform the Ministers' consideration of redevelopment options.

The Review consultancy was completed in March 2003 following consultations with all State and Territory Governments, 31 State and Territory collecting institutions and 11 industry bodies.

The redevelopment report proposes that the website focus its resources on the small-to-medium regional collections sector and extend its scope to include libraries, museums, archives and galleries.

The Review was considered by the CMC at its March 2003 meeting, at which Ministers asked the Department to consult further with stakeholders on some remaining policy and technological issues. As at 30 June 2003 an additional round of consultations with State and Territory stakeholders was nearing completion.

Further information on AMOL is provided under *Improved Access to Cultural Activities* at page 19.

Educational Lending Right Scheme—Book Industry Assistance Package and Public Lending Right Scheme

Client satisfaction with the delivery of the Public Lending Right and Educational Lending Right Schemes

The Educational Lending Right Scheme (ELR) is one element of the four-year Book Industry Assistance Package. The ELR scheme makes payments to eligible Australian creators and publishers whose books are held in educational lending libraries. The ELR scheme complements the Public Lending Right (PLR) scheme, which compensates creators and publishers whose books are held in public libraries. Both programs also support the enrichment of Australian culture by encouraging the growth and development of Australian writing and publishing.

The trend since 2000–01 reflects a growing usage of ELR and PLR by creators and publishers, as detailed in Table 5.

TABLE 5: Use of ELR and PLR, 2000–01 to 2002–03

ELR

	No of payments made—Creators	No of payments made—Publishers	Total payments made
2000–01	5314	182	\$7.44 million
2001–02	6642	249	\$8.37 million
2002–03	7311	283	\$9.30 million

PLR

	No of payments made—Creators	No of payments made—Publishers	Total payments made
2000–01	8109	290	\$5.76 million
2001–02	8193	308	\$5.94 million
2002–03	8384	319	\$6.22 million

Direct feedback from PLR and ELR clients, indicates a high level of satisfaction with the operation and management of both Lending Right schemes.

The Chair of the Public Lending Right Committee noted that the performance of the PLR staff during the year was very good to excellent, and that the efficiency of the PLR Committee is due to their commitment and expertise.

Production by the Australian Bureau of Statistics of book publishing and retailing surveys under the Plan's Statistics Program

During the year, the Australian Bureau of Statistics produced the reports *Book Publishers 2000/01* and *Book Retailers 2000/01* in accordance with its agreement with the Department. These publications provide data to assist in monitoring developments in the book industry and to assist in policy development for the sector.

Federation Fund

Compliance of funding agreements with Australian and State Government environment, heritage, construction and audit requirements

Proportion of Federation Fund projects completed in accordance with program objectives, and extent of that completion

The Federation Fund provided \$434 million to contribute to the enhancement of Australia's cultural heritage through a range of large and small infrastructure projects, and to help celebrate the Centenary of Federation in 2001.

Of funding agreements for Federation Fund projects, 100 per cent required compliance with:

- relevant Australian Government, State, Territory and local authority environmental, heritage and planning laws;
- the National Code of Practice for the Construction Industry and Industry Guidelines; and
- all relevant statutes, regulations, by-laws, and requirements of any Australian Government, State, Territory or local authority.

The program was announced in 1998, with projects expected to be completed or substantially completed in the centenary year. As at 30 June 2003:

- 71 per cent (12) of the 17 Major Federation Fund projects had been completed. One Major Federation Fund project was completed during the year, with a further five still to be completed. Of these, four are expected to be completed in 2003–04 (the Government is still assessing options regarding the Holsworthy Rifle Range project and is yet to make a decision on how to proceed with the project);
- 93 per cent (26) of 28 Federation Cultural and Heritage Program projects have been completed. The remaining two projects are expected to be completed in 2003–04;
- 99 per cent (989) of 1003 Federation Community Projects had been completed with 14 projects still to be completed. The program will be finalised by the end of 2003.

Commonwealth Technology Port (Comtechport) is a high-technology precinct within the Melbourne Docklands development. A final payment of \$8 million was made during the year to the Victorian Government for the Comtechport project. Construction of the first building on the Comtechport site commenced in March 2003 as scheduled and is expected to be completed by the end of 2003.

Sports and Recreation Program (anti-doping)

Anti-doping funding distributed to projects addressing agreed priorities

Compliance with grant conditions

Australian Government engagement with the World Anti-Doping Agency and other governments, and participation in international anti-doping forums, enhances international anti-doping initiatives

Funding fully allocated to stakeholders in a timely manner

Details on the Sports and Recreation Program (anti-doping) are provided under *Promotion of effective anti-doping measures in sport, both nationally and internationally* at page 25.

Water and alpine safety

Funding allocated in accordance with agreed priorities

Extent of compliance with grant conditions

Funding fully allocated to stakeholders in a timely manner

The Australian Government's objectives for water and alpine safety are to reduce the number of drownings, aquatic and skiing accidents and to enable all Australians to participate safely in water and alpine activities.

National trends show 251 people drowned in preventable water-related activities during 2001–02, representing a four per cent decrease on the five-year average. The most recent data available showed that the death rate per 100 000 people decreased from a five-year average of 1.40 to 1.28 during 2001–02, representing a decrease of nine per cent.

Funding priorities to support improved water and alpine safety include:

- management of aquatic locations;
- water safety education;
- alpine rescue service provision; and
- alpine safety education and public awareness campaigns.

During 2002–03, the Australian Government provided total funding of \$1.992 million to promote water and alpine safety initiatives, including:

- \$1 547 159 in base grant funding through the National Recreation Safety Organisations Program to Surf Lifesaving Society Australia, Royal Life Saving Society Australia (RLSSA), AUSTSWIM, and Australian Ski Patrol Association (ASPA) to address priorities for water and alpine safety; and
- a further \$445 000 for ten special purpose water and alpine safety projects to support a range of activities including lifesaving education and scholarships for the international ski congress to be hosted by Australia.

Of grant recipients, 100 per cent fulfilled each obligation of their funding agreement within the 2002–03 financial year, including achievement of a number of safety objectives, such as:

- provision of RLSSA water safety courses to over 750 000 participants. The most recent data available as at 30 June 2003 showed that the number of drownings of Australian children five years or younger in 2001–02 was down 25 per cent on the five-year average; and
- provision by ASPA of national standard first aid training for all member Australian Ski Patrols and also to the Victorian Nordic Rescue Service and Victoria Police Search and Rescue. ASPA trained patrollers attended approximately 10 000 incidents during winter 2002.

The Department provided 100 per cent of payments to grantees according to the requirements of funding deeds and all funding within the National Recreation Safety Organisations Program was paid to stakeholders within agreed timeframes during the financial year.

Outcome 2

Competitive and effective communications and information technology industries and services and improved access to Government information

Resources for outcomes—Outcome 2

	(1) Budget* 2002–03 \$'000	(2) Actual expenses 2002–03 \$'000	Variation (column 2 minus column 1) \$'000	Budget 2003–04** \$'000
Administered expenses (including third party outputs)	389,943	294,516	(95,427)	298,815
Total administered expenses	389,943	294,516	(95,427)	298,815
Price of departmental outputs				
Output 2.1 Strategic advice, policy and programs to achieve competitive and effective communications and information technology industry and services	57,190	55,323	(1867)	51,463
Revenue from Government (appropriation) for departmental outputs	50,481	50,621	140	47,005
Revenue from other sources	6709	4702	(2007)	4458
Total price of outputs	57,190	55,323	(1867)	51,463
TOTAL FOR OUTCOME 2 (Total price of outputs and administered expenses)	447,133	349,839	(97,294)	350,278
Average staffing level				
Average staffing level			2002–03	2003–04
Average staffing level			317	332#

* Budget estimates as at 2002–03 Portfolio Additional Estimates Statements.

** Budget estimates as at 2003–04 Portfolio Budget Statements.

Staff numbers reflect a reallocation of overheads.

Note: There are a number of changes in the outcome and output structure in 2003–04. For the purposes of the Annual Report, these changes have been amended to fit the 2002–03 outcome and output structure.

The 2003–04 changes are:

- *Outcome 2 becomes Outcome 3 in 2003–04.*
 - Sport will be the new Outcome 2 in 2003–04, which has been included as part of Outcome 1 in 2002–03.
- *Output 2.1 is split into Outputs 3.1, 3.2, 3.3, and 3.4 in 2003–04.*
 - Sport will be the new Output 2.1 in 2003–04, which has been included as part of Output 1.1 in 2002–03.

Performance indicator index

Performance indicator	PBS page reference	Annual Report page reference
Departmental outputs		
Output 2.1 Strategic advice, policy and programs to achieve competitive and effective communications and information technology industries and services.	53	58
Administered items		
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National Transmission Network Residual Funding Pool	51	67
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Regional Equalisation Plan	54 (PAES)	68
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International organisations contributions	50	74
Compensation to Société Internationale de Télécommunications Aéronautiques	51	75
Government response to Telecommunications Service Inquiry	51	75
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National Relay Service	52	78
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Telecommunications Action Plan for Remote Indigenous Communities	52	80
Evaluations		
Universal Service Obligation contestability pilots	53	82

EFFECTIVENESS

Overall achievement of the outcome

The Department provides strategic advice on policy and programs across a wide range of significant and rapidly changing areas including broadcasting, telecommunications, information and communications technology (ICT), radiocommunications, intellectual property, online and postal issues.

The Department's policy and program processes are underpinned by a sound understanding and knowledge of the nature and dynamics of the communication and information technology industries and ongoing research and analysis.

Involvement and consultation with key bodies, including industry participants, users and communities, in the communication and information technology industries is an important aspect in the development of timely and responsive policy and program advice.

Facilitating competitive communications markets

Responsive regulation of communications services that provide incentives for the development and maintenance of efficient, high quality services

In 2002–03, the Department provided advice to assist the Government in its development of policy and implemented Government policy in relation to:

- providing support to Government, Parliamentary and community consideration of the ongoing issues of media ownership, communications market structures and institutional arrangements for spectrum management;
- the amendment of the regulatory frameworks for digital television and community television to provide greater flexibility and certainty for those sectors;
- undertaking a range of reviews required by legislation, examining online content and gambling, local content and datacasting;
- analysis and adjustment of the legislative framework for competition in telecommunications markets;
- participation in a co-regulatory approach to legislation for general telecommunications consumer protection and service standards;
- ongoing consideration of issues relating to communications convergence; and
- regular and wide-ranging consultation with key stakeholders to assess the impact of telecommunications regulation.

The Department also provides advice on the accountability and funding of the Australian Broadcasting Corporation (ABC), the Special Broadcasting Service (SBS), the Australian Communications Authority (ACA) the Australian Broadcasting Authority (ABA), and NetAlert. In addition, the Department monitors the activities of industry bodies such as the Telecommunications Industry Ombudsman and the Australian Communications Industry Forum.

Policy development activities directed at improving the policy and regulatory framework for communications

The key issues arising in the policy and regulatory frameworks for communications in 2002–03 were the changing structure of the communications sector and the regulatory implications of that change, the implementation of the framework for digital broadcasting, and the ongoing promotion of a competitive telecommunications sector.

Market structures

In 2002–03, the Department provided advice on media ownership issues in the context of Parliamentary consideration of the Broadcasting Services Amendment (Media Ownership) Bill 2002. The Bill concerns the implementation of the Government's election commitment to reform the media ownership regime in Australia by establishing the environment for a more sustainable, dynamic sector while preserving media diversity.

Changes in the pay television (pay-TV) market, including the Foxtel/Optus content sharing agreement, involved the Department providing policy advice to the Minister on the competition implications of emerging industry structures in the pay-TV market.

The Department also advised on possible changes in the respective roles and responsibilities of the ACA and the ABA, to provide for more effective and efficient regulation of spectrum management. Following consultation with the ABA and ACA, a discussion paper was issued on current arrangements and whether changes in the roles and responsibilities of those agencies are appropriate.

Digital broadcasting

The Department provided advice on adjustments to the regulatory framework for digital television to provide greater flexibility to broadcasters in relation to High Definition Television (HDTV) broadcast obligations. The HDTV quota commenced on 1 July 2003 in mainland state capitals and most broadcasters are already exceeding an average of 20 hours per week of HDTV content. The Department also assisted with a review of the regulatory arrangements for datacasting services.

Telecommunications competition regulation

The Department supported the development of the *Telecommunications Competition Act 2002*, which was part of the response to the Productivity Commission report on telecommunications competition regulation. The Act commenced operation in December 2002.

The initiatives in this legislation are aimed at improving the environment for competition and investment in the telecommunications market to the benefit of consumers and business. Consistent with these new provisions, the Minister issued directions to the Australian Competition and Consumer Commission (ACCC) to use its existing broad record keeping rule powers under Part XIB of the *Trade Practices Act 1974* to require Telstra to prepare and publish reports separately on its wholesale and retail operations. The Government has indicated that it will continue to monitor the industry to ensure the telecommunications competition regulatory regime continues to meet the needs of an open and competitive telecommunications market.

Other highlights in this reporting period include:

- new licensing arrangements for community television to improve corporate governance and accountability;

- addressing industry concerns in relation to unplanned commercial radio broadcasting licences issued under Section 40 of the *Broadcasting Services Act 1992*;
- preserving the availability of high-quality commercial radio services of broad appeal;
- introduction of an improved reporting regime for broadband under the *Monitoring and Reporting on Competition in the Telecommunications Industry Determination 2003 (No.1)*, which requires the ACCC to collect and publish detailed wholesale and retail statistics on broadband availability and take-up;
- provision of advice on ways to enhance a range of law enforcement and security issues, including participation in the Law Enforcement Advisory Committee and several forums examining critical infrastructure protection and counter-terrorism issues;
- provision of advice to the Minister on the installation of telecommunications infrastructure under Schedule 3 of the *Telecommunications Act 1997*;
- in conjunction with the Department of Finance and Administration, the Department continued to provide advice to the Minister on the financial operations and governance arrangements for Telstra and Australia Post;
- amendment of the *Australian Postal Corporation Act 1989* to improve oversight of Australia Post and to legitimise current mail aggregation and document exchange services provided by the private sector; and
- assistance to the National Office for the Information Economy (NOIE) in relation to NOIE's secretariat function to the Broadband Advisory Group.

Stakeholder feedback on the quality of Divisional engagement on regulation, competition and market structure issues

In developing legislation and administering programs the Department adheres to a policy of consulting stakeholders. Each area engages in a transparent and consultative policy development process that incorporates stakeholder feedback, research, public consultation through submissions to Divisional reviews, and liaison with portfolio and other government agencies.

In particular, the Department was engaged during this period in extensive consultation with a wide range of stakeholders on:

- online content and gambling reviews;
- emerging industry structures in the pay-TV market;
- institutional reform of Australia's communications regulators;
- development of legislative proposals for the *Telecommunications Competition Act 2002*;
- development of a proposed *Australian Competition and Consumer Commission (Accounting Separation—Telstra Corporation Limited) Direction (No. 1) 2003*, to implement an accounting separation regime for Telstra's wholesale and retail operations;
- development of the *Monitoring and Reporting on Competition in the Telecommunications Industry Determination 2003 (No. 1)*, relating to broadband services; and
- the regulatory regime to establish protection zones in relation to submarine telecommunications cables that link Australia to the global communications system.

Timely regulatory review

The Department provided secretariat support to the independent Regional Telecommunications Inquiry (RTI), chaired by Mr Dick Estens.

In addition, the Department undertook the following reviews in 2002–03:

- a review of the online content regulatory scheme, required under clause 95 of Schedule 5 to the *Broadcasting Services Act 1992*, which commenced on 27 September 2002. The Department will report to the Minister on the review in the first half of 2003–04;
- a review of datacasting arrangements, required under clause 61 of Schedule 6 to the *Broadcasting Services Act 1992*. The Minister tabled a report of the review in Parliament on 10 December 2002. As a consequence of the review, the Government announced that it would support spectrum being made available by the ABA for trials of new and innovative digital services, to assist and encourage industry to develop business strategies to fully exploit the potential of datacasting;
- a review of Australian Government regulation of interactive gambling services, required under s.68(1) of the *Interactive Gambling Act 2001*, which commenced on 16 January 2003. The Department expects to report on the review to the Minister during 2003–04; and
- a review of local content obligations for subscription television, which commenced on 26 August 2002, required by s.103ZJ of the *Broadcasting Services Act 1992*. The Department expects to report to the Minister during 2003–04.

All of these reviews were conducted in accordance with relevant timeframes.

Timely implementation of legislation and other regulations

In 2002–03, the Department provided advice and support to the Government in a timely manner, assisting it to pursue its legislative agenda. See page 59 for details.

Enhancing access to communications services

Improving access over time to basic and advanced telecommunications and broadcasting services.

In pursuing this objective in 2002–03, the Department processed 101 grants for new analog television services through the Television Black Spots Program, processed 36 grants in the first year of the Commercial Radio Black Spots Program and undertook signal testing in a range of locations as part of the Television Black Spots—Alternative Technical Solutions Program.

In keeping with Government policy of improving access to telecommunications services, the Department has also been heavily involved in a range of strategies to improve access to telecommunications services, particularly in regional, rural and remote Australia. Key activities included implementation of infrastructure programs, the provision of secretariat support to the independent RTI and, later, providing support to the Government in developing and implementing its response to the report of the Inquiry.

Quality of policy development activities directed at improving accessibility of communications services

Detailed policy advice was provided on a wide range of communications issues in 2002–03. This advice was accurate, timely and comprehensive.

Regulation of community television

The Department provided advice on the regulatory framework for community broadcasting services and Parliament passed the *Broadcasting Legislation Amendment Act (No. 2)* 2002 in November 2002. The Act amended the *Broadcasting Services Act* 1992 to establish new licensing arrangements for community television services that provide greater certainty for service providers and strengthen the accessibility of services to communities. The ABA is now considering applications for community television licences under the new arrangements in a number of markets.

Rollout of digital transmission

The Government has established a regulatory framework under the *Broadcasting Services Act* 1992 for the introduction of digital television in Australia. To date, more than 75 per cent of Australian viewers have access to a digital television service, including all State and Territory capitals, Newcastle, Wollongong, and most major regional centres.

The potential for digital television transmission to cause interference to the existing analog service reception is being managed through an Interference Management Strategy administered by Commercial Television Australia, with assistance from the ABA and the Department. Since the commencement of digital television, contacts in relation to interference have continued to decline from a peak of 7000 per week in January 2001 to the current weekly average of about 500–600. The vast majority of interference difficulties have been resolved through the provision of technical advice by telephone.

National broadcaster funding

In 2002–03, the last year of the triennium, \$807.8 million was appropriated to the ABC, and \$170.0 million to the SBS, to provide television, radio and online services across Australia. The Department provided advice, including briefing on funding proposals, for consideration in the context of the 2003–04 Budget on funding of a new triennium to begin in that financial year.

Regional Telecommunications Inquiry

The Department provided secretariat support to the independent RTI. The Inquiry was established to report on whether telecommunications services in regional, rural and remote Australia are adequate and on the arrangements that should be put in place to ensure all Australians continue to share in the benefits of further service improvements and developments in technology. The Inquiry reported to Government on 8 November 2002.

The Department supported the Government in the development of its response to the RTI, which resulted in a package of measures, responding in detail to each of the Inquiry's 39 recommendations, and involving funding of more than \$180 million, commencing in 2003–04.

Network Reliability Framework

The Department assisted the Government to establish the Network Reliability Framework (NRF) to monitor and improve the reliability of telephone services provided by Telstra. The NRF came into effect on 1 January 2003 and requires that, where Telstra's network does not meet set performance standards, it must investigate and take action to fix the problem, as required by the industry regulator, the ACA.

New priority service arrangements

The Department provided advice to the Government which led to an amendment to Telstra's licence condition requiring it to establish priority assistance arrangements for people who, by reason of a diagnosed, life-threatening medical condition, have increased risk of a medical emergency, and therefore are more reliant on their telephone. The priority assistance arrangements require Telstra to, among other things, repair faults and provide new connections to priority customers within 24 hours (48 hours in remote areas).

Other highlights

Other highlights for 2002–03 included:

- the *Telecommunications Amendment Regulations 2002 (No. 3)*, which responded to community concerns about unexpected high bills from premium rate services and access by minors to adult material;
- active participation, including with industry, in a range of counter-terrorism and critical infrastructure forums convened by the Attorney-General's Department and the Department of the Prime Minister and Cabinet to implement measures to protect critical infrastructure; and
- the pursuance by the Department of reform of international Internet charging arrangements in the International Telecommunication Union, with the aim of lowering Internet prices and enhancing access for Australian and other consumers.

Efficient and effective administration of relevant Government programs

The Department administers or advises on a range of programs aimed at enabling greater access to broadcasting services, including the Television Black Spots Program, the Commercial Radio Black Spots Program and provision of digital transmission services for the ABC and SBS.

The Department also administers a range of Government programs aimed at enhancing access to telecommunications services. Consistent with Government priorities, a particular emphasis is placed on enhancing the access of those who live in regional, rural and remote Australia to improved services. Significant programs in this context include the Networking the Nation Program, the Telstra Social Bonus programs, the Government's response to the Telecommunications Service Inquiry, and the Telecommunications Action Plan for Remote Indigenous Communities.

These programs are all designed to complement the Government's policy and regulatory framework with the combined aim of delivering improved services in regional areas and therefore reducing disparities in the standard of service between urban and non-urban Australia.

In the reporting period, the Department undertook its administration of the programs efficiently and effectively. The Department continued to monitor and evaluate its program management arrangements and to make improvements, consistent with Australian National Audit Office guidelines for best practice in grant management.

However, in some cases, the Government's milestones were not achieved because third parties were not able to fulfil contractual commitments. In the case of the community grants programs, unavoidable setbacks, such as delays in the importation of equipment, or local council planning approval processes, forced some infrastructure projects to fall behind schedule.

The Department also effectively administered grant deeds with Australia Post to enable the presentation of all inbound international mail to be inspected; and with the Australian Communication Exchange to provide the National Relay Service providing access to the standard telephone service for people who are deaf, or who have a hearing and/or speech impairment.

Implementation of the Consumer Representation Grant Program under section 593 of the *Telecommunications Act 1997* ensured that there was appropriate priority given to representatives of people with disabilities and regional, rural and remote consumers.

These programs are discussed further under the *Administered Items* section commencing on page 66.

Stakeholder feedback on the quality of Departmental engagement on access issues

The Department regularly engages with stakeholders on access to communications services, both in the development and the evaluation of its policy and program activities. Further information on client and stakeholder feedback is covered in the *Management and Accountability* section of this report, under *Client Service Charter*.

Timely administration of those aspects of the telecommunications and broadcasting access programs which are the Department's responsibility

The Department manages the administration of a range of programs directed at improving access to telecommunications and broadcasting services. These programs are discussed in detail in the *Administered Items* section, commencing on page 66.

Support for the development of the ICT sector

Effective framework to support internationally competitive and efficient communications and IT industries and services

The Department addressed this objective by undertaking policy development, program administration and collaborative activities in relation to the key areas of:

- establishing and maintaining a policy framework for the future development of the Australian ICT sector;
- administering a range of funded programs to develop the capabilities of Australia's ICT industry including a world class research institute, business incubator activities and regional infrastructure programs;

- implementing industry development arrangements, including those for small-to-medium sized enterprises (SMEs), linked to Australian Government ICT procurement;
- encouraging multinational ICT corporations to invest in Australia; and
- facilitating an attractive financing and taxation framework for ICT companies.

ICT Framework for the Future

Enabling Our Future, the report of the ICT Framework for the Future Steering Committee, was released on 15 April 2003. The report was the outcome of a year-long collaboration between the Australian Government, the ICT industry and the research and education communities to develop a shared understanding of the challenges facing Australia's ICT sector and strategies to address these challenges. The Department provided extensive secretariat and research assistance to support the deliberations of the Steering Committee.

The report's recommendations provide a strategic blueprint for the development of the industry over the medium term, building on the foundations already put in place by the Government. Key recommendations relate to leadership, research and development, infrastructure, skills, enhancing ICT capacity through attracting and embedding ICT investments in high value-adding activities, and building innovative SMEs. The recommendations are informed by the view that ICT has a broader role—as a set of enabling technologies that underpin the development of Australia as an 'information' economy.

Electronics Industry Action Agenda

The Department supported the development of an Electronics Industry Action Agenda through the Action Agenda process, administered by the Department of Industry, Tourism and Resources, and is actively engaged with the Australian Electrical and Electronic Manufacturers' Association to assist in its implementation.



Members of the Department's ICT Division. Clockwise from L: Stephanie Jolly, Peter Okwechime, Janet Pagan, Jessica Coates and Ian James.

Venture capital

The Department played a significant role in the development and implementation of the legislation to enact the Government's venture capital limited partnership reforms.

Three Australian venture capital management groups have established limited partnership funds, obtained conditional registration from the Pooled Development Fund Board and are undertaking capital raising activities. These management groups are DB Capital Partners, Macquarie Direct Investments and Starfish Ventures, which collectively are seeking to raise \$575 million.

ICT SME facilitation package

The ICT SME facilitation package, announced by the Government on 21 June 2002, is directed at helping SMEs access a greater share of the Australian Government ICT market, obtain the information they need and establish alliances. A Joint Industry Government Working Party is assisting to implement the package, including conducting a seminar series to provide SMEs with information on the ICT procurement market and assist them to form links with multinational corporations, and preparation of the publication *Selling ICT to Government—a guide for SMEs*.

Investment

The Department is supporting the investment promotion and attraction activities of Invest Australia, and was closely involved in Invest Australia's development of an Investment Attraction Strategy for the ICT industry to commence in 2003–04. There will be ongoing assessment of the strategy.

Quality of policy development activities directed at facilitating the development of Australia's ICT industries at all relevant levels

The key policy development activity during the year was the development of the ICT Framework for the Future. Other key policy activities included participation in Government processes to improve taxation arrangements for the venture capital regime, and development of measures to facilitate SME access to the Australian Government ICT market.

Quality of activities directed at ensuring that Government has a sound understanding of the ICT industry environment and developments

The Department was involved in detailed analysis of the ICT industry as part of the ICT Framework for the Future process. The substantial body of information released with the report included a study by McKinsey & Company, *Australia: Winning in the Global ICT Industry*, which provided a strategic perspective of the ICT industry in Australia in a global business context, and an ICT industry statistical map based on work undertaken by the Framework's Mapping Working Group.

Administered items

All administered programs were implemented in accordance with their original objectives and program guidelines. Further details of each program and its administration are provided under the relevant entry in the *Administered Items* section of this Outcome, commencing on page 66.

Industry development (ID) outcomes from Government ICT Procurement Framework

The Department administers the ID policy framework for Australian Government ICT procurement. The key elements of this framework include:

- minimum SME participation levels for contracts valued at more than \$20 million;
- voluntary strategic guidelines, which outline the expected ID activities by the Government's major international ICT suppliers; and
- the Endorsed Supplier arrangement, which sets out pre-qualification requirements for all ICT suppliers to the Australian Government.

The Department also administers the ID commitments made under the Australian Government's former Information Technology outsourcing initiative. The Auditor-General reported on this activity (*Audit Report No. 36, 2002–03*), concluding that the contractors are performing well against their ID commitments and that progress in the delivery of these commitments has been effectively monitored by the Department.

Telecommunications Carrier Industry Development Plans

The Department administers carrier Industry Development Plans (IDPs) for the telecommunications industry under the *Telecommunications Act 1997*. During the year, the Department published a progress report for 2001–02 on carrier IDPs. Highlights included a total of 81 carrier licences as at 30 June 2002, with \$7.9 billion capital investment reported by carriers during 2001–02.

Other initiatives

The Test-IT Program has assisted with the development of the testing and conformance infrastructure for the ICT industry in Australia. Final funding payments of \$393 000 were made to Test-IT grant recipients during the year.

The role of Software Engineering Australia (SEA) National is to improve the quality and sophistication of software development and acquisition in Australia. The Government provided a further \$2 million to SEA National during the year. SEA National staged a national software conference in October 2002 and five editions of its Software journal were provided to a subscriber list of over 6000. SEA National also announced in May 2003 its intention to introduce enhanced software quality certification programs.

Other Departmental activities in 2002–03 included promotion of the ICT industry, both nationally and internationally, under the 'Technology Australia' brand, through membership of the ICT Events National Committee, and launching the second 'Secrets of Australian IT Innovation' competition to identify key innovations being undertaken by Australian ICT firms.

Effective promotion of Australia's international telecommunications interests

International arrangements promoting competitive opportunity and supply of telecommunication services for Australian suppliers and users

Australian positions reflected in decisions of International Telecommunication Union (ITU), Asia-Pacific Economic Cooperation (APEC), World Trade Organisation (WTO) and other relevant multilateral forums

The Department was active in encouraging further liberalisation of the telecommunications sector in those international forums in which it participated, including:

- the Doha Round of the WTO General Agreement on Trade in Services (WTO GATS), where requirements for transparency, regulatory independence and general competitive safeguards were agreed. This will create improved competitive opportunities for Australian businesses operating in a number of markets;
- at the ITU Plenipotentiary Conference 2002, the Department made some progress towards achieving the extensive reform of the International Telecommunication Regulations and greater flexibility of the ITU Standardization Sector; and
- through the APEC Telecommunications and Information Working Group (APEC TEL), where projects included training for senior regulatory managers on arrangements to support competition in the telecommunications services market.

The Department assisted in negotiating the telecommunications chapter in the Singapore–Australia Free Trade Agreement. The telecommunications obligations entrench the WTO GATS requirements for transparency, regulatory independence and interconnection arrangements involving major suppliers, together with general competitive safeguards and appropriate industry participation.



Members of the Department's Telecommunications Division. Clockwise from L: Julia Bennett, Philip Mason, Brian Kelleher, Rachel Challis, Gary Croker and Jacinta Galluzzo.

In Study Group 3 of the ITU Telecommunications Standardization Sector, the Department continued making the case for reform of Recommendation D.50, which provides guidelines for companies to use when negotiating Internet interconnection.

Stakeholder involvement in consultation in developing Australian positions

The Department consulted widely with relevant stakeholders including government agencies and industry representatives in developing Australian positions for the Singapore–Australia Free Trade Agreement (FTA) and WTO GATS telecommunications trade negotiations; and in preparation for APEC TEL and ITU meetings.

Timely development and presentation of Australian positions to relevant forums

The Department successfully advanced Australia's position in negotiations in the ITU, Singapore–Australia FTA, WTO GATS, and in APEC TEL Working Group. The Singapore–Australia FTA telecommunications provisions were satisfactorily concluded within the two-year timeframe and Departmental officer, Mr Richard Thwaites, chaired the APEC TEL Working Group and the ITU Study Group 3 during 2002–03.

Development and maintenance of a workable and modern intellectual property (IP) regime

Balance of creators, investors and consumers' interests

Consistent with the *Copyright Act 1968*, the Department seeks to develop copyright policies, guidelines and legislative provisions which balance the interests of creators and authors who create copyright material, people and organisations who invest in the production of copyright material and consumers who purchase and use copyright material.

The Department aims to maintain this balance in the face of rapidly changing communications and reproduction technologies through the production of high quality research, analysis and advice for Government, informed by extensive consultations with key creator, investor and consumer stakeholders.

Development of balanced, workable and effective policies and regulations on copyright and related intellectual property issues

During 2002–03, the Department continued to progress the Government's legislative agenda in relation to Indigenous communal moral rights, parallel importation and creator rights.

In 2002–03, the Department was also extensively involved in preparations and negotiations for the Singapore–Australia FTA. The final Singapore–Australia FTA reflected the Department's emphasis on the need for balanced outcomes in respect of the interests of creators, investors and consumers. The Department is seeking similar outcomes from the Australia–United States FTA, which is currently being negotiated.

The *Copyright Amendment (Parallel Importation) Act 2003* was passed by the Senate on 27 March 2003 and received Royal Assent on 15 April 2003. The Act represents a balance between the rights of copyright owners and users as it enhances competition in the distribution of software and introduces provisions to assist copyright owners in enforcing their rights.

A *Guide to Digital Rights Management* was released on 4 June 2003. The Guide was developed by the Department to provide a reference point to assist creators, producers and traders (including SMEs) to effectively manage digital content in the new communications environment.

Timeliness and effectiveness of policy outcomes and implementation

Considerable legislative development activities occurred during the year to develop and progress models for new rights for performers and film directors and to extend the duration of copyright in photographs in accordance with the Government's 2001 election commitments. The models provide practical proposals for reform and take account of the views of all relevant stakeholders and the existing industry arrangements.

During the 2001 election, the Government also committed to provide additional moral rights for Indigenous communities. In line with these commitments, the Government announced on 19 May 2003 that it would introduce legislation for Indigenous communal moral rights by the end of the year, based on a model agreed with the Attorney-General's Department.

Responsiveness to stakeholder concerns

The Commonwealth Copyright Administration (CCA) function responded to 1415 inquiries and requests for permission to use published Commonwealth copyright materials. Of these requests, 509 were responded to within 24 hours of registration and 1289 permissions and 17 licences for the reproduction of Commonwealth copyright material were granted. Broad consultation was undertaken with Government agencies to assist the CCA in consolidating efficient processes for issuing copyright licences and enhancing management practices for Commonwealth copyright materials.

The Department prepared and distributed within its portfolio agencies a discussion paper summarising the Copyright Law Review Committee's (CLRC) report into copyright and contracts. The discussion paper sought views from agencies as to the potential impact of the CLRC's recommendations.

The Department contributed significantly to the preparation of the Government response to the House of Representatives' Standing Committee on Legal and Constitutional Affairs report into the enforcement of copyright in Australia. The report's recommendations were made after significant consultation with Government and industry stakeholders. A number of the recommendations had already been largely implemented in the *Copyright Amendment (Parallel Importation) Act 2003* outlined above.

DEPARTMENTAL OUTPUTS

Output 2.1 Strategic advice, policy and programs to achieve competitive and effective communications and information technology industries and services

To achieve its outcomes, the Department produces a wide range of outputs. Core activities are advice to the Minister and Government, provision of information to the Parliament, the preparation of legislation, instituting consultative processes to implement policy and programs, and administration of specific programs and initiatives.

Timeliness, relevance and accuracy of advice and draft legislation supported by relevant research

The Department provided timely and accurate advice to the Government throughout the year. In providing this advice and managing programs, the Department ensured that these activities were informed and supported by relevant research.

Strategic advice

The Department provided strategic advice on a range of key issues including:

- media ownership, restructuring in the communications sector and digital television;
- institutional reform of the Australian Broadcasting Authority (ABA) and the Australian Communications Authority (ACA);
- Australian and children's content obligations for the commercial television broadcasting sector, following a review conducted by the ABA;
- commercial, narrowcast and digital radio services, including advice on the establishment of a Digital Radio Study Group, which is investigating international developments in digital radio technology and international approaches to service delivery;
- national broadcasting funding issues, in the context of the 2003–04 Budget;
- regional communications issues including the availability of news and information services, the implementation of digital television transmission in regional Australia, progress with the implementation of the various Telecommunications Service Inquiry initiatives and programs to support the development of the ICT industry;
- telecommunications competition and consumer issues including accounting separation arrangements, a network reliability framework and a priority services direction;
- the ACA's cost recovery arrangements, in consultation with the Departments of Finance and Administration and Treasury;
- the implementation of a number of the Government's election commitments in the postal and telecommunications sectors, including the establishment of a Postal Industry Ombudsman;
- commercial, technological and regulatory developments in the Internet and broadband sectors;

- development of the ICT Framework for the Future;
- establishment of the ICT Centre of Excellence;
- formulation of an ICT investment and promotion strategy, and financing and taxation issues for Australian ICT companies, including venture capital;
- mapping of Australia's science and innovation infrastructure and National Research Priorities;
- implementation of industry development arrangements for, and facilitation of SME participation in, Australian Government ICT procurement;
- advice on implementation of the Government's copyright election commitments including development of legislation to remove certain parallel import restrictions, and formulation of models for increased protection for creators and Indigenous communities;
- advice on copyright industry proposals for reform including proposals to remove the one per cent cap on royalties for broadcasting sound recordings, introduce a blank media levy and increase protection of piracy of pay-TV signals;
- advice to Government on international negotiations and trade issues including the Australia-US Free Trade Agreement; and
- domestic reports and reviews on copyright including reports on the arts sector and copyright enforcement.

Government satisfaction with quality of advice

Legislation

The Department provided advice and support to the Government to implement the Government's legislative agenda, including:

- the *Broadcasting Legislation Amendment Act (No. 1) 2002*, which delayed the introduction of the HDTV quota (from 1 January 2003 to 1 July 2003) in mainland State capitals;
- the *Broadcasting Legislation Amendment Act (No. 1) 2003*, which annualised the HDTV quota. Consequent regulations were developed, in advance of the commencement of the HDTV obligations on 1 July 2003, which also provided for the ABA to collect information on broadcasters' compliance with the HDTV quota;
- the *Broadcasting Legislation Amendment Act (No. 2) 2002*, which established new licensing arrangements for the community television sector;
- the *Broadcasting Services Amendment (Media Ownership) Bill 2002*, in relation to cross-media and foreign ownership restrictions;
- the *Communications Legislation Amendment Bill (No. 1) 2002*, which, *inter alia*, provides for radiofrequency spectrum use for national security, law enforcement and emergency services;
- the *Communications Legislation Amendment Bill (No. 2) 2003*, which, *inter alia*, strengthens telecommunications law enforcement and national security provisions;

- the Communications Legislation Amendment Bill (No. 3) 2003, which, inter alia:
 - corrects legislative anomalies so that additional digital television services are able to be provided in certain regional areas; and
 - provides penalties in lieu of a prosecution scheme for non-compliance with obligations relating to telecommunications customer equipment and cabling;
- the *Telecommunications Competition Act 2002*, as part of the response to the Productivity Commission report, which enhanced the telecommunications-specific competition regime and simplified the administration of the telecommunications carrier industry plan arrangements;
- the Postal Services Legislation Amendment Bill 2003, to improve oversight of Australia Post and to legitimise current mail aggregation and document exchange services provided by the private sector;
- the Telstra (Transition to Full Private Ownership) Bill 2003, to allow for the sale of the Government's remaining holdings in Telstra; and
- the *Copyright Amendment (Parallel Importation) Act 2003*, to enhance competition in the distribution of software and assist copyright owners in enforcing their rights.

The Department also provided advice and support to the Government on a wide range of subordinate legislative instruments relating to Outcome 2.

Research

The Department ensured that the provision of advice and management of programs during the year were informed and supported by relevant research. In particular, the Department prepares policy advice taking into account research into industry developments both in Australia and overseas. Where appropriate, the Department also used the research skills of the Communications Research Unit or engaged specialist external research consultants.

As part of its day-to-day operations, the Department monitored and advised on technological, commercial and regulatory developments. This included the monitoring of the media and industry literature, attendance at industry briefings and seminars, and liaison with industry and other stakeholders and consultancies.

The Department has implemented the Spatial Data Network project, which links industry information with geographic details and other departmental data, and provides an innovative desktop reporting and analysis facility for departmental officers engaged in either program or policy work. A public interface to aspects of this spatial project will be available via the Department's website in 2003–04.

Government satisfaction with quality of advice

In 2002–03, a total of 191 briefs were prepared for Ministers, of which 63 per cent were provided within the initial requested timeframe, with alternate arrangements made with the Minister's Office for the remainder. This compares to 216 briefs in 2001–02 of which 73 per cent were provided within the timeframe.

The Department prepared 790 minutes providing advice on various matters in 2002–03, compared to 729 in 2001–02.

A total of 7397 items of ministerial correspondence (excluding campaign letters) were received by the Department in 2002–03. Of these, 3870 were assigned for reply with 3285 replies prepared, of which 13 per cent were returned for redrafting. This compares to 2001–02, when 6467 items of correspondence were received with 4125 assigned for reply and 2842 responses drafted, with 12 per cent returned for redrafting.

As at 30 June 2003, there were 332 items of ministerial correspondence requiring a reply, with 31 per cent overdue. This compares to 30 June 2002, when 508 items required a reply with 55 per cent overdue.

Through regular informal feedback, Ministers and their offices have indicated they are satisfied with the overall timeliness and quality of briefing, policy advice and ministerial correspondence.

Table 6 illustrates the distribution of the documents across the telecommunications, broadcasting, ICT and intellectual property (IP) areas.

TABLE 6: Subject matter of documents prepared for Government

Document	Total 2002–03	Total 2001–02	Tel 2002–03	Tel 2001–02	B/cast 2002–03	B/cast 2001–02	ICT 2002–03	ICT 2001–02	IP 2002–03	IP 2001–02
Brief	191	216	29%	55%	34%	40%	34%	3%	3%	2%
Minute	790	729	47%	57%	37%	36%	14%	2%	2%	5%
Ministerial	7397	6467	57%	59%	39%	39%	3%	1%	1%	1%

Stakeholder satisfaction with consultation processes

The Department undertook significant consultations with relevant stakeholders across all communications and information technology sectors in 2002–03 to ensure that they were actively engaged in relevant policy and program initiatives. Stakeholders included industry participants and associations, consumer and user groups, regional and Indigenous interests, regulators, and Government agencies and departments, including at the Australian, State and Local Government levels.

Consultations took the form of seeking comments on discussion papers and draft legislative instruments, formal and informal committee discussions and ongoing liaison, meetings and briefings. Throughout these consultation processes, the Department was responsive to stakeholder needs and adjusted consultation processes to address any stakeholder concerns.

These consultations included:

- consultation on proposed regulatory reforms such as accounting separation, reforms to community television licensing and restructuring of the roles of the ABA and the ACA;
- consultation on implementation of programs, such as the Telecommunications Action Plan for Remote Indigenous Communities and the rollout of digital broadcasting in remote areas;
- public industry forums held on the ICT Framework for the Future;
- ongoing liaison through a range of industry committees, such as the ICT Framework for the Future Steering Committee; and
- other consultations on key issues, such as the Free Trade Agreement with the United States.

Further information on client satisfaction is available in the *Management and Accountability* section of this report, on page 109.

Efficiency and timeliness of program administration

The Department administered a range of programs in an efficient, accountable and timely manner. Key issues in the effective administration of these programs included:

- ongoing monitoring and reporting requirements;
- ensuring appropriate evaluation;
- consistency against Government policy objectives;
- coordination across programs to deliver whole-of-government outcomes; and
- working with a diverse range of community-based organisations.

These programs are discussed in detail in the *Administered Items* section of this Outcome on page 66.

Tenders conducted with probity

The Department engages in open and accountable tender processes when seeking external assistance from consultants and contractors. Tender processes are conducted, with advice from the Department's Legal Group, in accordance with the Commonwealth Procurement Guidelines as implemented in the Department.

Under Outcome 2, the Department undertook a number of consultancies and procurement processes, including through tenders.

Those related to broadcasting were a review of online content, a consultancy on interactive gambling and digital television signal testing. Tenders related to IP included a review of the effects of extending the term of copyright, development of a database to assist management of the CCA, and a better practice manual for the management of Commonwealth copyright. On ICT matters, consultants were engaged to conduct a pilot evaluation of the BITS Incubator Program and to undertake research into global and domestic ICT trends.

Consultants were also appointed to advise on a range of telecommunications issues, including:

- powerline communications technologies and trunk transmission capacity;
- residential telecommunications user profiles;
- review of teletypewriter (TTY) technology;
- the establishment of a mobile telecommunications education and training service to remote Indigenous communities;
- the development of tools for communities to use several Indigenous languages online;
- the feasibility of higher bandwidth services in remote Indigenous communities;
- evaluation of the National Relay Service contract; and
- reviews of selected Networking the Nation projects in Tasmania.

Timeliness and comprehensiveness of responses to reviews and proposals

The Department supported the Government's response to several reviews and proposals during 2002–03.

The Senate Environment, Communications, Information Technology and the Arts References Committee inquiry *Above Board? Methods of Appointment to the ABC Board*, was tabled on 25 September 2001 and the Government's response was tabled on 29 August 2002.

The Government's response to the *Radiocommunications Review Report* and the *Productivity Commission's Radiocommunications Inquiry Report* were tabled on 5 December 2002. The Government accepted 35 of the 47 recommendations contained in the two reports. Government consideration of a further six recommendations was deferred pending the receipt of additional information on the practical effects of their implementation. The Department has developed legislative proposals to implement these decisions.

On 27 June 2003, the Government released its response to the House of Representatives Standing Committee on Legal and Constitutional Affairs' 1999 report into the enforcement of copyright in Australia. Many of the recommendations had already been implemented due to the April enactment of the *Copyright Amendment (Parallel Importation) Act 2003*. The response comprehensively addressed all 22 of the report's recommendations. The timing of the response was in line with the Government's priorities for the passage of the parallel importation legislative amendments.

The Government provided a comprehensive response to the Productivity Commission's 2001 report on telecommunications competition regulation with the passage of the *Telecommunications Competition Act 2002*. The provisions of the Act commenced in December 2002.

The Government's response to *Connecting Australia! Wireless Broadband* is expected in 2003–04. The response will take into account the Government's response to the Regional Telecommunications Inquiry (RTI).

The Department provided Secretariat support to the independent RTI. The Inquiry reported to Government in November 2002 and the Government announced its comprehensive response, accepting all recommendations, in June 2003.

The Department has sought to provide comprehensive and definitive responses by consulting thoroughly within Government. Where relevant, extensive consultation has been undertaken with the key agencies, the ACA and the ABA.

Client satisfaction with fee-for-service consultancies

Amount of repeat business for fee-for-service consultancies

The Department's Communications Research Unit (CRU) did not undertake any fee-for-service consultancies in 2002–03. Instead, it focused on meeting the needs of the Department and the Ministers.

The demand for statistics from the CRU's statistics section has continued to grow, with services expanded to include advice to various areas of the Department on survey design and analysis. In particular, the CRU provided considerable assistance to the Framework for the Future study group and the Broadband Advisory Group.

Clients expressed satisfaction in 2002–03 with the reports provided for the two previous fee-for-service contracts undertaken by the CRU. However, the CRU's bid for one repeat contract during the year was unsuccessful. The CRU may still seek occasional contracts in future but its focus will remain on meeting the needs of the Department and its Ministers.

Government expression of interest (EOI) or tender accountability funding agreement outcomes achieved.

The extent to which outcomes specified in contracts or funding agreements was achieved is discussed for each program in the *Administered Items* section, commencing on page 66.

Commonwealth funding agreement outcomes achieved

The Department monitors funding agreement conditions and implementation on an ongoing basis to ensure that outcomes are achieved. The requirements of Commonwealth funding agreements were generally met by recipients of Departmental funding in 2002–03.

Key outcomes for 2002–03 included:

- fully expending the first round of grant allocations for the Commercial Radio Black Spots Program for new or improved services to 36 communities in regional Australia;
- finalising grant deeds for new services in 101 television black spots, compared to 77 during 2001–02. As at 30 June 2003, new analog services were operating in 111 black spots across Australia under the Television Black Spots Program. The number of households benefiting from the Program was 25 519 in 2002–03, in addition to 21 148 households in 2001–02; and
- overseeing the funding and approval process for the rollout of national broadcaster digital transmission services, with a view to meeting the legislated policy objective that digital television is to commence in all regional transmission areas by 1 January 2004. Both the ABC and SBS have advised that they are on target to meet this requirement.

The Networking the Nation (NTN), Telecommunications Service Inquiry and Telstra Social Bonus programs are resulting in significant improvements in access to services including the following:

- upgrade of 3653 standard telephone services in the Extended Zones since August 2001;
- completion of nearly 10 000 kilometres of continuous terrestrial mobile phone coverage along Australia's national highways;
- 187 small towns with new or improved terrestrial mobile phone coverage;
- new spots of terrestrial mobile phone coverage on 34 regional highways;
- payment of 1554 satellite handset subsidies to consumers who are unable to access terrestrial mobile phone coverage;
- support for large-scale telecommunications projects which will improve the delivery of education and health services in regional Australia; and
- establishment of three advanced network projects to support the development, trialing and demonstration of advanced communications networks and test-beds.

Program funding applications administered in accordance with guidelines

The Department continued to administer relevant programs in a rigorous manner. For example, the review of the administration of the NTN programs by Origin Consulting revealed that the NTN Secretariat's administrative performance over the previous five years compared well with principles set out in the ANAO *Best Practice Guide to Grants Management*.

All relevant programs are discussed further under the *Administered Items* section of this Outcome, commencing on page 66.

Levies collected and paid in accordance with established processes

The only levy administered by the Department is the Universal Service Levy—an ongoing levy mechanism subsidising specific services provided under the Universal Service Obligation (USO) and Digital Data Service Obligation (DDSO). The levy is recovered from telecommunications carriers in proportion to their total revenues and paid annually in arrears.

Details of the collection of payment of the levy are in the *Administered Items* section of this Outcome on page 79.

ADMINISTERED ITEMS

ABC and SBS Digital Interference Scheme

Potential for interference to ancillary equipment from new digital broadcasting services adequately managed

Interference from new digital services minimised

The broadcasting industry has established an Interference Management Scheme to manage potential interference arising from the introduction of digital television services. The interference scheme includes mailouts, television and press advertising and a consumer hotline with free home visits by technicians where necessary to retune VCRs. The Department administers Australian Government funding to meet the ABC's and SBS's financial contributions to the scheme. In 2002–03, the Scheme reimbursed the ABC and SBS a total of \$185 000.

During 2002–03, the rollout of digital television gained momentum with over 100 digital services commencing across Australia including in the New South Wales Central and South Coast, Illawarra, North East Tasmania, Central and Western Victoria, the Sunshine Coast, Darling Downs, Mackay, and regional South Australia. During 2002–03, the interference management hotline received in excess of 30 000 calls, which comprised both queries in relation to digital television as well as interference problems. This compares favourably with a similar level of hotline calls the previous year in respect of the commencement of 23 digital television services across Australia.

Since the commencement of digital television, hotline contacts have continued to decline from a peak of 7000 per week in January 2001 (the start of digital television in Sydney, Melbourne, Brisbane, Adelaide and Perth) to the current weekly average of about 500–600. The vast majority of interference difficulties have been resolved through the provision of technical advice over the hotline (re-tuning video cassette recorders, use of audio/visual cables).



Members of the Department's Broadcasting Division.
L to R: Alan Gamble,
Pattie Badcock,
William Murphy,
Sarah Alderson and
Heather Eastwood.

Commercial Radio Black Spots Program

Efficient and timely funding agreements established
Extent to which targets for improving services are met

The Commercial Radio Black Spots Program commenced in 2002–03 and will continue until 2004–05. Thirty-seven projects for 36 identified blackspot communities were funded in 2002–03, and the available budget allocation was fully expended. All first grant payments were made, consistent with the terms of the Funding Agreement, within 30 days of finalisation of the agreements with the respective commercial radio licensees.

Each project was subject to assessment against the guidelines for the Program, and confirmation from the ABA that it met the relevant licence area planning requirements and the allocation of a suitable broadcasting frequency. All 37 projects funded in 2002–03 are expected to be completed in 2003–04.

National Transmission Network Residual Funding Pool

Community service obligations for transmission services efficiently administered
Funding delivered promptly to recipients in accordance with contractual obligations

The National Transmission Network Residual Funding Pool was created as part of the post-National Transmission Network sale arrangements to ensure that a number of Government commitments in relation to transmission arrangements for national, community and remote commercial broadcasters and Radio for the Print Handicapped were met. These commitments have now been discharged or, where appropriate, grant deed arrangements have been put in place to ensure they are met on an ongoing basis.

In 2002–03, seven of the eight payments made under grant deeds to recipient organisations were made on time; the third payment for Radio for the Print Handicapped was delayed as a result of additional time needed to process outstanding financial reports.

Television Fund

Efficient and timely funding agreements established
Extent to which Government targets for solutions are met

The Television Black Spots Program—designed to enable access to analog television services in metropolitan, regional, rural and remote areas of Australia by fixing television black spots—is funded for five years, until June 2004. The Program target is to fix 200–250 television reception black spots.

In 2002–03, \$8.2 million was paid from the Program, compared to \$7.2 million in 2001–02. During 2002–03, funding agreements were established for new services in 101 black spots, bringing the total number to 197. New transmission services have commenced in 111 black spots, with 83 established in 2002–03.

At 30 June 2003, another 62 eligible Coordinating Bodies were still to lodge fully costed budgets for assessment and funding approval, including five locations awaiting resolution of spectrum planning issues.

The number of black spots where funding agreements for the replacement of obsolete equipment have been established is 181 in total, with nine established in 2002–03. The number of black spots where services using replaced obsolete equipment commenced is 173 in total, including 62 in 2002–03.

Television Black Spots—Alternative Technical Solutions

Efficient and timely funding agreements established

Extent to which Government targets for solutions are met

Steady progress is being made with implementation of this \$13.3 million program, which is scheduled to conclude at the end of 2004–05. There are currently 25 candidate locations for alternative technical solutions, each of which has poor analog television reception. Testing of digital signals is carried out in each of the black spots as digital TV services progressively commence in nearby areas.

Provision of satellite dishes to households is proceeding as the solution for two of the black spots. Digital re-transmission solutions are being explored for 13 black spots (including on the Gold Coast and in Port Stephens). Ten black spots are awaiting digital signal testing.

The Department anticipates that the Program will meet its target; however expenditure will be concentrated in the last 18 months of the Program. This is due to the testing requirements, the need to work with free-to-air broadcasters to implement solutions and the difficulties in finding solutions using new technologies in areas of the most difficult terrain and spectrum constraints.

Regional Equalisation Plan

Efficient and timely funding agreements established

All grant recipients that meet the digital service start up requirements are funded

Under the Regional Equalisation Plan, the Government announced in 2000–01 the provision of up to \$260 million over 13 years to regional commercial television broadcasters to convert to digital transmission. The assistance is in the form of rebates on annual broadcasting licence fees, supplemented by grants in smaller markets.

In 2002–03, rebates totalling \$21.8 million were provided by the ABA in accordance with the established process and schedule. The Department arranged for the ABA to provide a rebate of \$200 000 against future rebates to the remote commercial broadcaster, Imparja. This was in response to a request from Imparja for assistance to meet unanticipated costs associated with the retransmission of digital program feeds.

The Department is developing appropriate arrangements for payment of grants to smaller markets which are due to commence digital services in 2003–04.

Regional Telecommunications Infrastructure Account (RTIA)

Efficient and effective program administration of grants program and funding agreements

Satisfaction of the Minister, the Networking the Nation (NTN) Board and other stakeholders with the quality and timeliness of Secretariat advice and support

Extent to which the results from the evaluation of the grants program demonstrate that program objectives have been achieved

Extent to which funding deeds are monitored in a timely manner (including the timely processing of progress reports from funding recipients and any resulting instalment payments to funding recipients)

Extent to which NTN Secretariat secures acquittals from funding recipients that accurately account for funds spent

Extent to which the various evaluation reports are completed on time

The RTIA is a Special Account within the meaning of the *Financial Management and Accountability Act 1997*. The largest single component of the RTIA is the NTN General Fund. The three other elements of the RTIA—the Remote and Isolated Islands Fund, the Internet Access Fund, and the Mobile Phones along Highways Program—are discussed in the Telstra Social Bonus section below.

The \$250 million NTN General Fund—the result of the sale of the first tranche of Telstra—supports projects that bridge the gap between urban and non-urban Australia in regard to access to telecommunications services.

The Australian Government appointed an independent Board to make decisions about which projects should receive support. The Department provides secretariat support to the Board and administers the funding agreements with successful recipients. A full description of the Board's role and activities during 2002–03 is included at Appendix 11.

Program administration

The General Fund's approaching sunset date of 30 June 2003 highlighted delays in a number of projects, resulting in lags in milestone achievements and funding agreement instalment payments. In an effort to make payments in a responsible manner before the sunset date, the Secretariat pursued funding recipients to improve performance or effectively re-scope projects. The Government extended the General Fund by 12 months to allow improved project outcomes.

An expected \$19.7 million will be expended in the 2003–04 financial year, most of which will be in the first two quarters, to conclude the Program. This expenditure represents approximately eight per cent of total funding, and is a measure of the slippage that occurred in projects and the challenge in administering such a large stock of grants.

Acquittals

In January 2003, the Department established a Compliance Team within the Secretariat to manage projects with outstanding reports and unsatisfactory acquittal of funds. As a result, 40 projects have been successfully concluded, 32 continue to be pursued and one project has been terminated. The total Program has managed and acquitted 389 projects, 218 of these in the 2002–03 financial year.

Audit reviews on 28 funding recipients and 241 compliance checks of projects were undertaken during the 2002–03 financial year to provide assurance that funding recipients were expending Commonwealth funds appropriately. Actions were taken to address issues arising from these reviews.

Evaluation

Consistent with the overall evaluation framework for the Program, the first of a series of reports recording the goods and services made available by NTN projects to local communities was also prepared this year. The highlights of the first report are:

- public Internet access facilities installed in over 1400 new locations with over 610 000 users;
- the establishment of more than 111 websites/portals, visited more than 27.5 million times;
- the creation of an estimated 730 full-time and 830 part-time employment positions;
- around 220 projects offered training to an estimated 172 000 people; and
- NTN support exceeding \$40 million for increased mobile phone coverage for local residents, tourists, emergency and road services with 229 base stations and 55 repeaters.

Telstra Social Bonus 2

Efficient program administration; timely funding agreement management; and tenders conducted with probity

Efficient and timely management of the untimed local calls agreement

Extent to which the Government targets for rollouts are met

Percentage of applications fully administered in accordance with timeframes and to the standards described in the program guidelines

Percentage of deed proposals made to applicants within one month of announcement of Board decisions

Achievement of key milestones in funding agreements

Timely payments in accordance with achievement of milestones

Monitoring of fulfilment of all contractual obligations under the untimed local calls agreement

In June 1999, the Government provided a further \$670 million for a range of new initiatives, funded from the proceeds of the sale of a further 16.6 per cent of Telstra.

These were:

- the Building Additional Regional Networks (BARN) Program (\$70 million);
- the Local Government Fund (\$45 million);
- the Remote and Isolated Islands Fund (\$20 million);
- Mobile Phones along Highways (\$25 million);
- Connecting Tasmanian Schools (\$15 million);
- Extending mobile phone coverage in South Australia, Tasmania and Western Australia (\$3 million);

- Untimed Local Calls in the Extended Zones (\$150 million);
- Building on Information Technology Strengths (BITS) suite of programs (\$158 million), comprising the Incubator Program, the Advanced Networks Program and the Intelligent Island Program;
- the Launceston Broadband Project (\$15 million);
- the Television Fund (\$120 million);
- the Internet Access Fund (\$36 million); and
- the Trials of Innovative Government Electronic Regional Services (\$10 million). This program is administered by NOIE and is reported as part of the NOIE Annual Report.

The Department's performance in administering these programs for the 2002–03 financial year is set out below.

The NTN Board is responsible for approving projects to be funded under BARN, the Local Government Fund, the Remote and Isolated Islands Funds and the Internet Access Fund. In 2002–03, the NTN Secretariat received, assessed and processed approval of three applications and three requests for additional funding variations.

All successful applicants were processed in accordance with Program guidelines. They each received a letter of offer, specifying the requirements of the Funding Deed within one month of the public announcement of the Board's decisions, and in total they represented \$1.42 million of Australian Government funding.

Building Additional Regional Networks (BARN)

The development of new networks and new network services and products was supported through NTN Board approval of 46 BARN projects worth an estimated \$30 million. In most cases, these projects are only in the early stages of implementation. Outcomes will become apparent in the next 12 to 18 months.

In the past year, the NTN Board identified that applications did not appear to be addressing the greatest needs in regional Australia, and that there was a high level of risk associated with many of them. This resulted in a decrease in approvals with the Board proposing to the Minister in late 2002 that uncommitted funds from the BARN Program be re-directed to higher priority needs such as improving Internet access in currently under-served areas. In June 2003, the funds were redirected to the National Broadband Strategy as part of the Government's response to the Regional Telecommunications Inquiry.

Local Government Fund (LGF)

The Department supports local government authorities in regional and rural areas to improve services and benefits to their communities through the use of advanced telecommunications technologies. To date, the NTN Board has approved a total of \$43.3 million to fund 42 LGF projects. No new projects received funding in the reporting period. The Australian Local Government Association is coordinating the liaison of Local Government authorities as they deliver their projects through to conclusion largely expected in 2003–04.

Remote and Isolated Islands Fund

The Remote and Isolated Islands Fund assisted in meeting the particular telecommunications needs of island communities such as the Torres Strait, the Cocos (Keeling) Group, Christmas, Norfolk, King, Flinders, Kangaroo and other islands, and in the Australian Antarctic Territories. Consistent with the provisions in the relevant governing legislation, expenditure from the Remote and Isolated Islands Fund ceased on 30 June 2003. In most cases, these projects are only in the early stages of implementation, with outcomes expected to become apparent in the next 12 to 18 months.

Mobile Phones along Highways

Under a contract with Vodafone managed by the Department, the Australian Government provided \$22.7 million (excluding GST) over the three years to June 2003, for the provision of near-to-continuous mobile phone services along almost 10 000 kilometres on 16 of Australia's major highways. All new infrastructure was in service at the end of the reporting period, and consistent with the provisions of the relevant governing legislation, expenditure for this project ceased on 30 June 2003.

Connecting Tasmanian Schools

Through this Program, a local and wide area network was established to link Tasmanian schools and to provide additional computers and support resources for the State's government and non-government schools. This Project was undertaken with Australian Government Telstra Social Bonus funding of \$15 million along with an additional \$12 million from the Tasmanian allocation of the NTN General Fund. Information from the Tasmanian Department of Education is that access to the Internet is now available in 82 per cent of classrooms in Government schools and colleges, and in 96 per cent of primary schools. This Program is scheduled to conclude in June 2004.

Extending mobile phone coverage—Tasmania, South Australia and Western Australia

Through this Program, the Australian Government provided South Australia, Western Australia and Tasmania with \$1 million each to expand mobile phone coverage in their major regional centres. All the funds in this complementary program to the Mobile Phones along Highways project were committed by the end of the 2001–02 financial year. In most cases, mobile phone services are now operational, but there are some sites where delays have been experienced. These sites are expected to be operational in the 2003–04 financial year with all payments completed in that year.

Access to Untimed Local Calls in the Extended Zones

In order to provide Australians living in Extended Zones with access to telephone calls and connection to the Internet via an Internet service provider (ISP) at the untimed local call rate, the Australian Government committed \$150 million from the proceeds of the second partial sale of Telstra. Telstra won the tender to deliver these services. Contractual payments are scheduled over four financial years from 1 June 2001, while the contract itself will run for ten years.

Since August 2001, 3653 services have been upgraded to ensure customer access to additional call features and improved capacity. In the reporting period, Telstra successfully completed milestones dealing with the upgrade of its Public Switched Telephone Network in Extended Zones. As part of this contract, Telstra offered free equipment and installation for a two-way satellite Internet service, achieving a 25 per cent take-up rate, as well as a service tailored to Indigenous communities.

Telstra's milestone achievement has resulted in payments totalling \$25 million over the financial year in accordance with the contract. Extended Zone customers and other stakeholder groups have been informed by periodic publicity about enhanced services and upgrades.

BITS Incubator Program

Under the BITS Incubator Program, \$75.9 million is being provided to ten mainland incubator centres to support the development and growth of ICT start-up companies. Payments of \$17.63 million were made to the incubators during the year. During 2002–03, the second annual report (2001–02) on progress under the scheme was released. That report showed that, as at 30 June 2002, the incubators had achieved cumulative totals of 158 incubatees, 27 graduates and co-investment of \$38 million.

The Allen Consulting Group completed a pilot evaluation of the BITS Incubator Program in March 2003, which found that the three incubators performed well by international standards and generated economic benefits that included growth in revenue, jobs and exports. A full evaluation will be completed in 2003–04.

BITS Advanced Networks Program

Under the BITS Advanced Networks Program, funding of \$37.2 million is being provided over three years to three advanced network projects—the Centre for Networking Technologies for the Information Economy (CeNTIE), m.Net Corporation, and the GRid And Next GEneration Network (GrangeNet). Payments totalling \$8.75 million were paid during 2002–03 to the participating consortia on the completion of milestones set out in the funding deeds.

The CeNTIE project was officially launched by the Minister in April 2003. The GrangeNet project was interconnected with the CeNTIE network and with the global research and education networks via AARNet's links to the Southern Cross Cable Network. m.Net launched a third generation mobile network and the *Gallery 4* initiative which provides developers with development tools and a commercial pathway.

The Australian Advanced Networks panel continued to facilitate cooperation and information sharing between the three grantees. The Broadband Advisory Group commented that the Advanced Networks Program was viewed positively by stakeholders.

BITS Intelligent Island Program

The BITS Intelligent Island Program has provided \$40 million to Tasmania to promote the development of an internationally competitive ICT sector in Tasmania. In accordance with a memorandum of understanding between the Australian and Tasmanian Governments, biannual reports were provided on progress of the various initiatives.

A proposed Centre of Excellence, in the area of bioinformatics, is being considered for funding under the Program and a final decision on the Centre is expected to be made early in 2003–04. The In-tellinc incubator continued to make good progress and a further six incubatees were accepted during the year. A number of funding proposals under the Investment Attraction and Industry Development Initiatives were considered by working groups, with decisions on support expected early in 2003–04. Assistance was provided to a number of Tasmanian companies to attend national and international trade shows and other events.

Launceston Broadband Project

Through the Launceston Broadband Project (LBP), the Department provides Australian Government funding of \$4.716 million over five years (1999–2000 to 2003–04) to the Tasmanian Electronic Commerce Centre (TECC) for its administration of the Business Development Fund (BDF). The BDF provides grants to stimulate new high-technology businesses in Launceston.

The LBP also channels Australian Government funding of \$9.934 million to Telstra towards the establishment and ongoing operation of a multimedia development laboratory, the B-eLab, and the advanced ADSL Internet access test-bed in Launceston. Telstra is contributing a further \$15 million.

TECC's required biannual progress reports showed that the BDF completed one funding round during the year, bringing the total number of projects to 13³. Decisions on further grants were made but not announced by the reporting date.

Telstra continued to operate the B-eLab, which developed applications including the BigPond Toolbar. Telstra also maintained the ADSL test-bed, which reached over 1400 subscribers in 2002–03, and was used for trials including ADSL to the streets/multimedia kiosks and the eLaunceston Community.

Telstra's milestone achievement in relation to the LBP ensured departmental payment of \$440 000. However, other payments were withheld due to Telstra's failure to meet specified milestones.

Consistent with the Deed, the Department undertook a mid-term review with Telstra of the LBP, resulting in joint project enhancement work to ensure objectives were met.

The Department made payments of \$500 000 to TECC in relation to the BDF, during 2002–03. In accordance with the Deed, other payments were delayed due to TECC having sufficient grant funds on hand. The TECC was also advised that future departmental payments would be made in line with improved administrative practices and in line with the TECC forecast of its payment schedule to grant recipients.

International organisation contributions

Improved focus and efficiency in relevant international organisation programs

The Department administers financial contributions to relevant international non-government organisations and coordinates the Australian Government's policy position and substantive involvement in international forums. The Department's primary contribution is to the work of the International Telecommunication Union (ITU), the Asia-Pacific Economic Cooperation (APEC), the Asia-Pacific Telecommunity and the World Trade Organisation.

Each Member State contributes to the ITU in 'contributory units', which are calculated in Swiss Francs (CHF), and set every four years at an ITU Plenipotentiary Conference. To date, the Department has contributed the Australian Government's 15 units per annum against the ITU Plenipotentiary Conference 1998 agreed amount of CHF 315 000 per unit. After lengthy debate, the new level of the contributory unit was set at CHF 315 000 for the first two years and CHF 330 000 for the next two years.

Following this ITU announcement, the Australian Government took the decision to stabilise its current contributory obligations for the next four-year period at CHF 4 725 000 by:

- reducing its number of contributory units to 13; and
- maintaining the balance of the contribution through directed funding of ITU sponsored development projects, particularly in the Asia Pacific region.

³ Fifteen grants have been made but two have been terminated and repaid, leaving 13.

This allows Australia to be more targeted in the provision of funding and will increase Australia's direct involvement in the expenditure of part of its ITU contribution. It will make available CHF630 000 per annum (approximately A\$785 000) in the 2003–04 and 2004–05 budgets for development projects. For the 2005–06 and 2006–07 budgets this will reduce to CHF 435 000 (approximately A\$540 000).

The Asia-Pacific Telecommunity is a treaty-based regional telecommunications development organisation that provides a forum for regional governments to build coordinated input on communications issues to ITU international meetings. The Department maintained the Australian Government's contribution to the Asia Pacific Telecommunity throughout the year.

Compensation to the Société Internationale de Télécommunications Aéronautiques (SITA)

Continued investment in Australia, particularly through location of its regional headquarters by SITA

Allocated funding expended effectively in accordance with grant deed

This Program encourages the SITA to maintain its regional headquarters in Australia by compensating the organisation for certain taxes and duties from which it was previously exempt. The compensation arrangement ceased on 30 June 2003, with the final compensation payment to be made in 2003–04. SITA continued to operate its Australasia–South Pacific regional headquarters in Sydney during the year and expenses totalling \$1.75 million were incurred compared with expenses of \$2.31 million in 2001–02.

Telecommunications Service Inquiry response

Efficient and effective administration of programs and agreements providing subsidies

Advice to Government on regulation that balances consumer protection with need to promote competition and support industry

Positive stakeholder feedback on administration

Satisfaction of the Ministers and other stakeholders with the quality and timeliness of advice and support

Extent to which subsidies enhance the quality of telecommunications services in regional Australia

Timeframes met, expenditure consistent with budget projections

Extent to which contractors meet their milestones

In May 2001, in response to the recommendations of the Telecommunications Service Inquiry (TSI), the Australian Government announced a funding package of \$163.1 million including \$9 million from the Department of Transport and Regional Services. The response included several major programs further improving telecommunications services for Australians living and working in regional, rural and remote areas.

Programs arising from the TSI response include:

- Towns over 500 Program;
- Regional Mobile Phone Program;
- Internet Assistance Program;
- National Communications Fund; and
- Section 593 Grants.

Towns over 500 Program

Through this Program, the Australian Government is subsidising the extension of terrestrial mobile phone coverage to 132 regional towns with 500 or more residents. Telstra successfully tendered for the project and was awarded, in April 2003, a \$23 million contract to deliver improved mobile phone coverage by December 2003.

Telstra was unable to meet the milestones of 111 towns by 30 June 2003, with only 59 towns receiving improved mobile phone coverage by this time. Instalment payments were therefore not triggered and the Program will require a significant carryover of funds. Confident that it will meet all milestones in the remaining six months, Telstra meets regularly with the Department in monitoring the progress of the rollout.

Regional Mobile Phone Program

The Regional Mobile Phone Program, includes the following components:

- \$18.8 million to extend terrestrial mobile phone coverage to 55 towns with less than 500 residents;
- \$19.1 million for spot mobile phone coverage on 34 selected regional highways;
- \$7 million for mobile phone coverage in 45 towns in south-west Western Australia (the WirelessWest Program); and
- \$3.9 million to subsidise satellite handsets where terrestrial mobile coverage is not available.

The rollout of the first two mobile phone initiatives set out above, was monitored at monthly meetings between the Department and Telstra.

Telstra was expected to provide improved mobile phone coverage to 22 of the 55 towns, with a population under 500, by 30 June 2003. Roll-out delays meant payment projections were not achieved for the 2002–03 financial year. Telstra achieved its target of improved mobile phone coverage along 22 of 66 lengths of the selected regional highways. Actual payments were therefore consistent with the projections for the financial year.

On behalf of the Australian Government, the Department managed the memorandum of understanding with the Western Australian Government, in relation to the WirelessWest Program. Under this Program, Telstra has so far improved mobile phone coverage in a total of 36 towns, 26 of these during the reporting period, with the remaining nine sites to be completed in the 2003–04 financial year.

In accordance with the Contract Management Manual developed for the Satellite Phone Subsidy Scheme, and as at 30 June 2003, the Department had approved 1554 subsidies for the purchase of satellite phone handsets by applicants without access to terrestrial mobile phone coverage.

Internet Assistance Program

The Internet Assistance Program (IAP) is a three-year joint national initiative of the Australian Government and Telstra, valued at up to \$48 million. It aims to improve dial-up Internet speeds over Telstra's fixed network and to provide users with an effective Internet throughput equivalent to at least 19.2kbps to support email and basic web browsing capability.

Over 108 000 users have contacted the IAP during the first seven quarters of its operation. Of these contacts, 95.9 per cent were resolved by the online help service and 4.1 per cent were referred on to the technical support service.

Australian Government IAP payments to Telstra in 2002–03 totalled \$2.35 million, consistent with budget projections and milestone achievements.

National Communications Fund

In July 2002, the Prime Minister announced funding of \$50 million under the National Communications Fund (NCF) for eight large-scale telecommunications projects which will improve the delivery of education and health services in regional Australia. Funding deeds were signed with seven of the successful applicants and \$11 million in funds was paid upon delivery of milestones set out in the funding deeds. The last deed was close to finalisation at the end of the financial year.

Two NCF projects—the New South Wales and Northern Territory Interactive eLearning and the Grampians Rural Health Alliance Network—proceeded directly to detailed network planning and/or rollout. Four projects went to tender for telecommunications infrastructure and services and were evaluating responses at the close of the financial year: Health and Education Access for Rural and Regional NSW, Broadband for Rural Tasmania, Northwest and New England Broadband Telecommunications Network and Network WA. The remaining project, Outbacknet@qld, was preparing to issue a request for tender.

Both the Broadband Advisory Group and the Regional Telecommunications Inquiry (RTI) reported positive feedback on the NCF from stakeholders.

Section 593 grants

The Department efficiently and effectively administered the Consumer Representation Grant Program under section 593 of the *Telecommunications Act 1997*, according appropriate priority to representatives of people with disabilities and regional, rural and remote consumers. Grants for 2002–03 were administered and the Department conducted a further assessment process to allocate funding for 2003–04.

The Department also administered two rounds of applications for funding for telecommunications research under the Section 593 Program over the reporting period, and administered grants made under the Program.

Grant to Australia Post—Australia's response to foot and mouth disease and other quarantine risks

Meeting requirements specified in the grant deed

Provision of Australia Post response in accordance with the milestones requirement set out in the grant deed

To enable the presentation of all inbound international mail to the Australian Quarantine and Inspection Service (AQIS) and the Australian Customs Service (ACS) for inspection, the Australian Government has provided \$49.4 million funding to Australia Post. AQIS and ACS are checking all inbound mail for the presence of possible sources of contamination by exotic animal diseases, particularly foot and mouth disease.

The Department effectively administered the Commonwealth grant deed in cooperation with AQIS and the ACS and, with all milestones set out in the grant deed achieved, scheduled payments totalling \$21.2 million for 2002–03, were made to Australia Post.

National Relay Service

Effective administration of contract between the Commonwealth and the National Relay Service provider

Extent to which service standards specified in the contract between the Commonwealth (DCITA) and the National Relay Service provider are met

The Department ensures access to the standard telephone service for people who are deaf, or who have a hearing and/or speech impairment through the National Relay Service (NRS), provided by the Australian Communication Exchange (ACE). The NRS is funded by a quarterly levy on telecommunications carriers. In 2002–03, \$13.3 million was paid to the ACE for service provision.

An independent evaluation of the NRS, carried out during the year found that ACE had performed well during 2002–03, meeting or exceeding the five quarterly performance standards in the service contract. These standards relate to the level of complaints, the percentage of ordinary inbound calls answered within ten seconds, the percentage of ordinary inbound calls receiving a busy signal, the percentage of emergency calls answered within ten seconds, and the percentage of emergency calls receiving a busy signal.

The Government took up the option in the existing contract to extend ACE's period as the NRS provider for a further three years, until 30 June 2006. A contestability process will commence early in 2005 for delivery of the NRS after June 2006.

Universal Service

Total levy collections are paid to the Universal Service Provider in accordance with established process

Percentage of payments collected and made in accordance with processes specified in legislation

Universal Service Obligation (USO) and Digital Data Service Obligation (DDSO) services are subsidised by the Universal Service Levy. The USO and DDSO are the legal requirements placed on relevant service providers to ensure standard telephone services and payphones, and digital data services are reasonably accessible to all people in Australia on an equitable basis, irrespective of their place of residence or business.

The USO levy is recovered from telecommunications carriers in proportion to their total revenues and paid annually in arrears. The levy is paid to Telstra and Hotkey Internet Services to subsidise specific services provided under the USO and DDSO. The notional subsidy in respect of 2001–02 was calculated to be \$240.1 million. Levies collected from telecommunications carriers other than Telstra totalled \$62.9 million in 2002–03, with Telstra notionally contributing the balance.

The Department also consulted with industry on further changes to the levy collection process to prevent and mitigate the impact of any future USO defaulters.

ICT Centre of Excellence

Feedback from stakeholders on the level and extent of consultation with the ICT industry and the research community during establishment of the Centre

Timeliness of Commonwealth grant payments to the Centre

The financial contributions to the Centre from non-Commonwealth sources to match, or exceed, those specified in the proposal submitted by the Centre operator

The ICT centrepiece of the Government's January 2001 Innovation Statement, *Backing Australia's Ability*, was the establishment of the ICT Centre of Excellence with funding of \$129.5 million including operational costs, over five years. The Centre is an independent, world-class research and research training institution that will take Australia's ability to create and exploit ICT to a new level.

Following a competitive selection process, the Government announced in May 2002 that the National ICT Australia Ltd (NICTA) was the preferred applicant to establish and operate the Centre. Stakeholders have indicated their satisfaction with the consultation process.

Australian Government funding for NICTA is shared between the Department and the Australian Research Council (ARC). Two payments, totalling \$10.3 million, were made by the Department during the year, both of which were processed within the timeframe specified in the funding deed.

NICTA has signed contribution agreements with its four founding members—the University of NSW, Australian National University and the NSW and ACT Governments. Agreements with other parties were also being negotiated. It is expected that the total contributions to the Centre from non-Commonwealth sources will significantly exceed the amount specified in the original proposal submitted by NICTA.

Telecommunications Action Plan for Remote Indigenous Communities

Efficient program administration

Tenders and applications-based funding allocation processes conducted with probity

Positive stakeholder feedback

Effective, comprehensive consultation with stakeholders

Timeframes met

Expenditure consistent with budget projections

Extent to which Government targets for rollouts are met

Percentage of applications fully administered in accordance with timeframes and to the standards described in the program guidelines

The Australian Government announced the Telecommunications Action Plan for Remote Indigenous Communities (TAPRIC) program in May 2002. Throughout TAPRIC's first year of operation, extensive consultation has been required to ensure well-informed activity. Consequently, implementation of the Program took effect in the second half of the reporting period, with a number of major projects put in place, including:

- provision of computer equipment to communities in conjunction with the revised two-way satellite offer to remote Indigenous communities in extended zones;
- establishment of a mobile telecommunications education and training service to support remote Indigenous communities;
- establishment of a project to develop tools for communities to use Indigenous languages online; and
- a major feasibility study to develop strategies to sustain higher bandwidth services in remote Indigenous communities.

To assist with a number of these elements, consultants were engaged through competitive tenders conducted in accordance with government regulations and legal and probity requirements. Risk management processes were incorporated in all tenders and an evaluation and risk management strategy for the TAPRIC Program is in place.

Tenders were issued for the Online Access Centre Business Study, Mobile Telecommunications Education and Training Service and the Online Content Development Program elements of TAPRIC. Contracts continue to be managed in accordance with contractual reporting, payment and milestone arrangements. Rollout of these programs is expected to be significantly progressed during 2003–04, particularly in relation to application-based programs.

Stakeholder consultation has been a key component of the TAPRIC program, with the Department meeting regularly with key stakeholders and developing effective partnerships with Indigenous communities, telecommunications service providers and Government Departments. In particular, the Department has worked to ensure telecommunications service providers have access to material and information regarding opportunities to provide products or services to remote Indigenous communities. A total of \$596 205.50 was expended under TAPRIC in the 2002–03 financial year, which is less than projected due to the required extended consultation period.

Positive comments were received from key stakeholders including Indigenous communities, consultants, the Aboriginal and Torres Strait Islander Commission, Telstra, Indigenous Communities Coordination Taskforce, State and Territory and Australian Government Departments.

EVALUATIONS

Evaluations were undertaken of several key programs. NTN was subject to a review by the Australian National Audit Office (ANAO), and an evaluation of the Program's administrative processes was undertaken. An evaluation of the USO contestability pilots was also undertaken.

Networking the Nation

ANAO Review

During the 2002–03 financial year, the ANAO undertook performance audits of the Department administered NTN Program and the Department of Transport and Regional Services (DOTARS) administered Rural Transaction Centres Program.

The objectives of the audits were to provide an assurance to Parliament that:

- DCITA and DOTARS are administering discretionary telecommunications grant Programs, in particular the monitoring and evaluation of grant Programs, in a transparent and rigorous manner that reflects compliance with internal guidelines and best practice;
- the reporting and performance information that is available in relation to telecommunications grants provides sufficient accountability to meet the requirements of stakeholders; and
- DCITA has implemented the recommendations of *Audit Report No. 43, 1998–99, Networking the Nation*.

At the end of the financial year, the ANAO had not yet finalised the Audit Report. It is expected the Report will be tabled in Parliament in late August 2003.

Review of administrative processes

In this reporting period, the Program's administrative processes were reviewed by Origin Consulting in order to assess the efficiency and effectiveness of the administration of NTN against the principles set out in *ANAO Best Practice Guide to Grants Management (May 2002)*. In addition, Walter Turnbull Associates reported on their assessment of the risk management practices of the Program.

The Review was completed in June and concludes that, overall, NTN compares well against the ANAO standards. The Review noted there was scope for strengthening the monitoring guidance framework (including the development of a Monitoring Guide and standards for Case Managers); more directly monitoring project milestones; and better documentation of monitoring activity by staff. Relevant recommendations will be implemented by the Secretariat to ensure the monitoring of projects is effectively maintained.

The first of a series of reports recording the goods and services made available by NTN projects to local communities was also prepared this year. The highlights of the first report:

- public Internet access facilities⁴ have been installed in more than 1400 new locations with over 610 000 users;

⁴ Public Internet access facilities includes computers and Internet access funded in schools, libraries, councils, telecentres and community facilities.

- NTN funding has supported the establishment of more than 111 websites/portals visited more than 27.5 million times;
- NTN-funded projects have created around 730 full-time and 830 part-time employment positions; and
- around 220 projects offered training and available usage figures indicate that more than 171 700 people were trained.

A total of 229 mobile phone base stations and 55 repeaters have been supported through NTN, permitting increased coverage for local residents, tourists, emergency and road services at a cost of over \$40 million.

USO Contestability pilots

The Department, in consultation with industry, conducted an evaluation of the Universal Service Obligation (USO) contestability pilots during this reporting period. The pilots commenced on 1 July 2001 to trial a new means of generating competition in the customer access network through flexible arrangements thereby improving service levels in regional Australia.

Since 2001, the Government has initiated a number of measures to encourage participation in the pilots, and to provide flexible arrangements for industry involvement. To date the pilots have not attracted any competing universal service providers and there is no apparent industry interest in participating in the remaining part of the trial.

The Department's evaluation in July 2002 found there was a lack of industry support for the pilots due to the general downturn in the telecommunications industry and the challenges in the provision of loss making services. The pilots will conclude 30 June 2004.

Review of the Telstra component of the Launceston Broadband Project

Pursuant to the Deed with Telstra for the Launceston Broadband Project (LBP), the Department and Telstra undertook a review of the Telstra component of the LBP against the component's objectives. These objectives related to the establishment and operation of the B-eLab and the ADSL test-bed. The review concluded that progress had been made in achieving these objectives but improvements were still required.

This review specifically examined the scope of the project, relative levels of Australian Government and Telstra expenditure and appropriate milestones for future Australian Government funding. In light of the review, the Department initiated negotiations with Telstra in order to maximise the community benefits from this component of the LBP. Negotiations also sought to maximise the benefit to the Tasmanian IT sector from having the B-eLab in Launceston.

Outcome 3

Australians value science and technology's contributions to our culture and economic prosperity

Resources for outcomes—Outcome 3

	(1) Budget* 2002–03 \$'000	(2) Actual expenses 2002–03 \$'000	Variation (column 2 minus column 1) \$'000	Budget 2003–04** \$'000
Administered expenses (including third party outputs)	-	-	-	-
Total administered expenses	-	-	-	-
Price of departmental outputs				
Output 3.1 Programs and exhibitions that engage people in science and technology	19,880	19,494	(386)	15,610
Revenue from Government (appropriation) for departmental outputs	13,950	13,950	0	9700
Revenue from other sources	5930	5544	(386)	5910
Total price of outputs	19,880	19,494	(386)	15,610
TOTAL FOR OUTCOME 3 (Total price of outputs and administered expenses)	19,880	19,494	(386)	15,610

Average staffing level	2002–03	2003–04
Average staffing level	127	133

* Budget estimates as at 2002–03 Portfolio Additional Estimates Statements.

** Budget estimates as at 2003–04 Portfolio Budget Statements.

Note: There are a number of changes in the outcome and output structure in 2003–04. For the purposes of the Annual Report, these changes have been amended to fit the 2002–03 outcome and output structure.

The 2003–04 changes are:

- Outcome 3 has been merged with Outcome 1 in 2003–04 (and has since been transferred to Department of Education, Science and Training effective from 1 July 2003).
 - Communications will be the new Outcome 3 in 2003–04, which is now shown as Outcome 2.
- Output 3.1 in 2002–03 becomes Output 1.3 in 2003–04 (and has since been transferred to Department of Education, Science and Training effective from 1 July 2003).
 - Telecommunications is the new Output 3.1 in 2003–04, which is shown above as part of Output 2.1.

Performance indicator index

Performance indicator	PBS page reference	Annual Report page reference
Departmental outputs		
Output 3.1 Programs and exhibitions that engage people in science and technology	58 61 (PAES)	86
Evaluations		
Stakeholder and customer surveys	58	92

EFFECTIVENESS

Overall achievement of the outcome

Extent to which programs are perceived to be relevant and engage people in science and technology in a way that is both educational and entertaining

Questacon—The National Science and Technology Centre aims to make science fun and relevant for everyone through the design, development and presentation of innovative exhibitions, programs and performances. In this way, the Centre engages people visiting the Centre in Canberra, visiting the Centre's travelling exhibitions and outreach programs across Australia, or the Centre's travelling exhibitions overseas.

Questacon operates within the structure of the Department. An Advisory Council, comprising a part-time Chairman and seven members appointed by the Minister for the Arts and Sport, supports Questacon's activities.

2002–03 was a successful year for Questacon as it consolidated existing activities and commenced new initiatives to promote awareness and understanding of the contribution that science and technology makes to our culture and economic prosperity.

The following achievements highlight the extent to which the Centre's programs and exhibitions across Australia are perceived to be relevant and to engage people in science and technology.

Questacon achieved a 97 per cent satisfaction rate according to visitor surveys and focus groups. Teachers affirmed Questacon as a nationally significant institution, making science fun and relevant for their students, and providing an appropriate mix of education/entertainment and science/technology. Independent research by the Australian National University's Centre for Public Awareness of Science confirmed that Centre exhibits provide an effective informal learning experience for visitors.

Questacon attracted a total of 1 372 696 visitors. The percentage of visitors reached outside of Canberra was 75 per cent. In addition, Questacon's website visitation increased by 158 per cent to 860 063 visitors. Questacon's travelling exhibitions reached 44 per cent more people in city and regional venues beyond Canberra.

In 2002–03, Questacon achieved a cost per participant of \$14.95 as a result of higher visitor numbers. Shell announced the renewal of their sponsorship of the Shell Questacon Science Circus—a corporate sponsorship now spanning 17 years and indicating the continuing success of this flagship outreach program.

Questacon won the Significant Regional Attraction Award at the National Tourism Awards and is achieving significant international recognition. New online activities such as Track Attack and Burarra Gathering achieved significant international awards, recognising their educational, entertainment and technical quality.

Questacon also continued to be held in high international standing, as evidenced by appointments to key positions within international networks, and by its role in coordinating an international study on the impacts of science centres on their communities.

DEPARTMENTAL OUTPUTS

Output 3.1 Programs and exhibitions that engage people in science and technology

Greater than 90 per cent satisfaction rate of visitors to programs and exhibitions

Over 1 million people participate in Questacon programs in 2002–03, 60 per cent outside the Centre in Canberra

Programs and exhibitions at the Centre in Canberra

In 2002–03, regular surveys of visitors to the Centre in Canberra consistently indicated that the level of visitor satisfaction more than exceeded the 90 per cent satisfaction target. The average satisfaction level over this period was 98 per cent. Satisfaction levels improved when the new café lease commenced in December 2002. Overcrowding of galleries on busy days is an issue raised by visitors and gallery staff. The Centre is seeking to implement a program of busking activities by Questacon volunteers to provide additional activities on busy days.

There were no major changes to the Centre's permanent exhibitions. *Burarra Gathering, Sideshow, Wavelength, Awesome Earth and Our Clever Country* continued to provide visitors with a variety of content and type of interactive experience. Temporary exhibitions included three of Questacon's own travelling exhibitions—*Terrorsaurus, Mathamazing* and *NRMA Roadzone*—as well as *Space*, developed by Scitech Discovery Centre. The overall exhibition experience maintained a strong appeal to both family and school groups. Educational resources relating to each exhibition continued to be made available on the Questacon website.

The Centre in Canberra attracted 346 964 people, a two per cent increase over the previous year. This was achieved despite a six per cent decrease during the months of January to May 2003 when compared with the same months in the previous year. This can be attributed to the impact of the Canberra bushfires and the general decline in visitor numbers to Canberra attractions as a whole (16 per cent lower aggregate visitor numbers for all Canberra attractions during this five-month period). A television marketing campaign targeting Canberra and the nearby region resulted in a ten per cent increase in visitors from the local region.

The increase in Q Club members paying annual membership fees indicates that more people are recognising the value in being able to make repeat visits to the Centre. The growing demand for *Q by Night* programs, *Questacon Camp-in* programs, *Excited Particles* science performances, school holiday programs and birthday programs, has placed more pressure on the Centre's public spaces. The increasing number of hours of public space use have generated the need for increased building and exhibit maintenance and changed maintenance routines.

The issue of insufficient, appropriate public spaces is a continuing issue for the Centre in Canberra. The relocation of the Centre's exhibit design and development operations to leased facilities in Fyshwick in December 2002 has partially alleviated this issue in the short term.

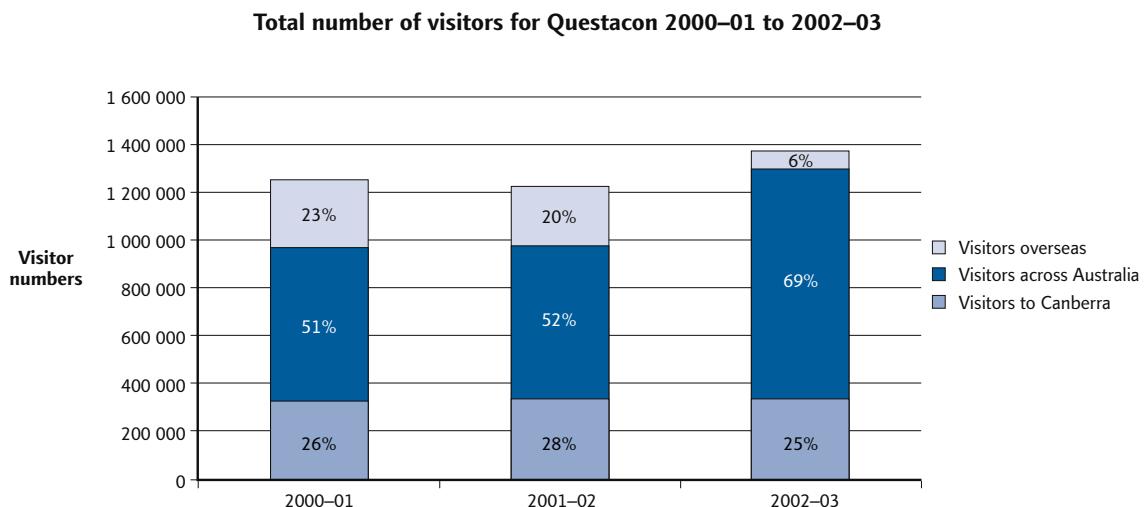
Programs and exhibitions across Australia and overseas

Regular surveys of visitors to Questacon outreach programs consistently indicated that the level of visitor satisfaction more than exceeded the 90 per cent satisfaction target. The average satisfaction rating across all outreach programs was measured at 97 per cent.

A total of 1 025 732 people attended Questacon outreach programs (258 590 visitors) or Questacon travelling exhibitions (767 142 visitors) elsewhere in Australia or overseas. This represents 75 per cent of the total visitors to Questacon exhibitions and programs in Canberra, across Australia and overseas. Therefore, Questacon exceeded its target of 60 per cent of total visitors experiencing a Centre program or exhibition outside of Canberra.

The following graph shows visitor number trends for the past three years.

GRAPH 1: Total number of visitors for Questacon 2000–01 to 2002–03



Note: The 2000–01 numbers exclude 216 300 visitors during Olympic Torch Relay and 172 500 visitors during Sports Exhibition at Sydney Olympic Park.

Over the past three years, the following major trend is clear: for every visitor to the Centre in Canberra, there have been three visitors attending a Questacon program or exhibition elsewhere in Australia or overseas.

The fewer visitors to Questacon's *Whodunit* exhibition overseas (due to its placement into storage for eight months) were more than compensated by a 44 per cent increase in visitors to exhibitions elsewhere in Australia. Questacon comfortably maintained the 3:1 ratio of visitors to programs and exhibitions beyond Canberra compared with visitors to the Centre in Canberra.

Quinton's commitment to taking interactive programs and exhibitions to regional, rural and remote Australia is demonstrated by the following data. The Centre reached 375 788 people outside of the capital cities, and 570 435 people in the capital cities. Centre outreach programs visited 1364 or 24 per cent of all schools outside metropolitan areas. A number of these locations are in sparsely populated areas, thereby limiting the number of participants.

As indicated by a survey conducted by Quinton during 2002–03, most outreach program providers are unable to sustain programs in rural and remote areas due to the lower population density of these areas. Quinton, however, remained committed to delivering programs in these rural and remote areas and, over one year, visited one in every four schools outside the capital cities, as detailed in Table 7.

TABLE 7: Impact of Questacon outreach programs on schools outside of capital cities in 2002–03

Outreach program	Number of visitors	Number of schools visited	Percentage of all Australian schools
<i>Shell Questacon Science Circus</i>	102 515	557	9.8%
<i>Photonics</i>	19 402	106	1.9%
<i>QuESTACON Smart Moves</i>	54 778	240	4.2%
<i>NRMA Roadzone</i>	32 469	353	6.2%
<i>QuESTACON Indigenous Outreach</i>	3 245	28	0.4%
<i>Starlab</i>	10 156	68	1.1%
<i>QuESTACON Maths Centre</i>	968	12	0.2%
Total	223 533	1 364	23.8%

QuESTACON Smart Moves, funded under the *Backing Australia's Ability* initiative, completed its first full year of operation. The program has been designed to inspire and encourage young Australians—particularly upper secondary school students in regional and rural areas—to pursue innovative science and technology-based studies and careers.

Feedback indicates that the program is being very effective in developing more positive attitudes towards engaging with emerging science and technology, and considering entrepreneurial science and technology based careers. The program has attracted considerable media attention, thereby increasing awareness of the Government's *Backing Australia's Ability* initiative.

During 2002–03, QuESTACON toured 11 exhibitions to city and regional venues across Australia, listed in Table 8. In total, these exhibitions attracted 535 378 visitors to city venues and 152 255 visitors to ten regional venues—a total of 687 633 visitors nationally. This total represents a 75 per cent increase over the number of national visitors the year before. The increase in visitors to regional venues is an encouraging trend in the face of a decreased capacity of many regional venues to pay the costs of hiring, installing and freighting exhibitions.

TABLE 8: Questacon travelling exhibitions for 2002–03

Exhibitions touring nationally		
1. ACT Workcover Exhibition	Australian Science Festival, Canberra, ACT	Aug 2002
2. BHP Wildscience	Reef HQ, Townsville, QLD	Jul 2002–Jun 2003
3. Dinosaurs Alive	Investigator Science and Technology Centre, Adelaide, SA	Oct 2002–Mar 2003
4. Fascinating Science	Agricultural Show, Launceston and Hobart, TAS	Oct 2002
	Investigator Science and Technology Centre, Adelaide, SA	Oct 2002–Apr 2003
5. Mathamazing	Shepparton Science Centre, VIC	Jul–Sep 2002
	Wollongong Science Centre and Planetarium, NSWs	Nov 2002–Jan 2003
6. PuzzleQuest	Royal Easter Show, Sydney, NSW	Apr 2003
7. Science on the Move	Museum and Art Gallery of the Northern Territory, Darwin	Jul 2002
	Museum of the Riverina, Wagga Wagga, NSW	Aug–Sep 2002
	Parkes Shire Council, NSW	Nov–Dec 2002
	Dubbo Municipal Library, NSW	Dec 2002–Jan 2003
	Woodleigh School, Baxter, VIC	Feb–Mar 2003
	Orange City Library, NSW	Apr–May 2003
	Albury Regional Museum, NSW	Jun 2003
8. Sea Chest Secret	Australian National Maritime Museum, Sydney, NSW	Jul 2002
	Imaginarium Science Centre, Devonport, TAS	Feb–Apr 2003
	Scienceworks Museum, Melbourne, VIC	May–Jun 2003
9. SportsQuest	Investigator Science and Technology Centre, Adelaide, SA	Oct 2002–Mar 2003
	Royal Easter Show, Sydney, NSW	Apr 2003
10. Terrorsaurus	Scienceworks Museum, Melbourne, VIC	Jul 2002
	Queensland Museum, Brisbane	Apr–Jun 2003
11. Zoom In	Investigator Science and Technology Centre, Adelaide, SA	Jul–Oct 2002
Exhibitions touring internationally		
12. Whodunit?	Palais de la Couverte, Paris, France	Jul 2002
	Explore at—Bristol, United Kingdom	Apr–Jun 2003

Questacon continued to manage the international tour of *Whodunit* exhibition after it completed its stay at Palais de la Couverte in France. After eight months in storage, *Whodunit* began its tour of the United Kingdom in the science centre, Explore at Bristol. Questacon continues to seek opportunities to tour exhibitions internationally, where it is possible to generate higher levels of revenue, at the end of their national tours.

The Centre continued development work on three new interactive exhibitions. One exhibition is being developed for children of early childhood age to be installed as a permanent exhibition in the Centre. *EarthQuest* is being developed as a small, easily installed exhibition suitable for both city and regional venues. *Eaten Alive* is being developed as the Centre's next blockbuster exhibition, ready for national and international touring to larger venues. Evaluation of families and school groups interacting with prototype *EarthQuest* and *Eaten Alive* exhibits has provided valuable feedback to ensure that the final exhibits provide quality visitor experiences.

The Questacon website continued in popularity, receiving major awards and citations during 2002–03. A total of 860 063 people visited the site, representing an increase of 158 per cent over the previous year. Popular new developments included the expansion of the Virtual Tour with links to online activities, such as the award winning *Make Tracks* virtual exhibit. The site continued to be an important vehicle for providing information such as educational resources for schools.

A world-class science centre with a high international profile

The number of senior delegations visiting from other countries is a measure of the high regard with which Questacon is held by the worldwide community of science centres. Visits were received from several countries, including Canada, China, Indonesia, Japan, Korea, Malaysia, New Zealand, Thailand, United Kingdom and United States. These delegations sought to learn from the Centre's expertise in informal science learning through interactive programs and exhibitions. The visit by Their Imperial Highnesses, the Crown Prince and Princess of Japan during December 2002 was a highlight.

Questacon's international standing was recognised by appointments to the Governing Board and the International Committee of the Association of Science Technology Centres—the largest and most influential international organisation in the science centre field—and to the position of Executive Director of the Asia Pacific Network of Science and Technology Centres, ensuring the Centre continues to play a key role in collaborative programs amongst science centres in the region.



Their Imperial Highnesses, the Crown Prince and Princess of Japan, enjoy a hands-on moment with the kaleidoscope presented to them during their visit to Questacon. Looking on (from R to L) are Mr Gary Nairn, MP, Member for Eden/Monaro representing the Minister for the Arts and Sports, Mrs Kerrie Nairn and Ms Ann Landigan, the Centre's then Acting Director.

Image courtesy of AUSPIC.

Questacon accepted UNESCO's invitation to develop a pilot program of interactive science education for schools and communities during July 2003 in Timor Leste. The Centre's reputation for developing culturally appropriate programs is widely known following Questacon's extensive *Science on the Move*, delivered in ten Pacific nations.

The Centre continued to play a key facilitating role as a member of the *International Steering Committee for the International study on the impact of science centres on their communities*. The results of the first phase were disseminated through international science centre networks. The results included an analysis of available research on personal, societal, political and economic impacts of science centres on their communities. A second phase was commissioned to collect data on economic impacts of science centres on their communities.

Revenue generation

Price: \$19.88 per participant, including capital use charges (CUC) and \$15.49 per participant excluding CUC

Questacon's price per participant for the 2002–03 year was \$14.95 calculated as set out in Table 9.

TABLE 9: Questacon's price per participant for 2002–03

Operating expenses	\$16,138,847
Capital use charges	\$4,388,000
Total expenses for 2002–03	\$20,526,847
Total visitor numbers for 2002–03	1,372,696
Total price per participant 2002–03	\$14.95

The price per participant of \$14.95 for 2002–03 is \$4.93 lower than the target performance indicator of \$19.88 per participant. This has been achieved through a 37 per cent increase—or 372 696 visitors—across all programs, on the Centre's target of one million visitors. In addition, Questacon's operating expenses for this financial year have been contained despite some programs 'bursting at the seams' with high visitor numbers.

For this reporting period, the Centre's revenue was lower than its mid-year budget forecast by \$212 000. This is attributable to admissions revenue being \$132 000 lower and sponsorship revenue being \$135 000 lower than anticipated. Contrasting this was revenue from venue hire and lease revenue, which was \$33 000 higher than anticipated and other revenue, which was \$29 000 higher.

Net salaries and on-costs were \$1 107 000 higher than anticipated by the mid-year budget review. Other operating expenditure, however, was \$734 000 lower than anticipated, attributed mainly to lower than anticipated engagement of contractors and consultants.

During the year, Questacon continued to develop strategic relationships with existing and potential sponsors. A particular focus was on a number of leading Australian industries and organisations with an interest in the development of Sydney-based programs and exhibitions to present cutting edge science and technology. The model for delivering these experiences has evolved to a more sustainable one, with a broader market appeal.

Currently, Questacon is seeking to design and operate a range of science-based programs and exhibitions in partnership with Sydney-based event and education venues. The building of relationships with a range of potential corporate sponsors has prepared the way for new sponsored projects in 2003–04.

A highlight of the year was the Shell company's decision to extend its sponsorship commitment to the Shell Questacon Science Circus through until the end of 2004. The 17-year partnership with Shell now represents one of Australia's longest and largest sponsorships of a cultural institution.

Sponsorship revenue received for programs and exhibitions in 2002–03 was \$726 000, compared to \$918 000 in 2001–02.

EVALUATIONS

Stakeholder and customer surveys

Internal audits and evaluations continued to be performed on a regular basis. Surveys assessing levels of customer satisfaction and performance against the Customer Service Charter standards were reviewed by the Questacon Leadership Team on a quarterly basis.

A series of reports prepared by the University of Canberra's Centre for Tourism Research analysed surveys of families and teachers to the Centre in Canberra. The data clearly shows that families and school groups value the educational and entertainment dimensions of the Centre.

A research study conducted by the Australian National University's Centre for Public Awareness of Science investigated the learning patterns of adult visitors to Questacon in Canberra. The report analysed the types of learning that occurred as adult visitors engaged with exhibits classified into four groups. The research findings have provided data relevant for exhibit designers.

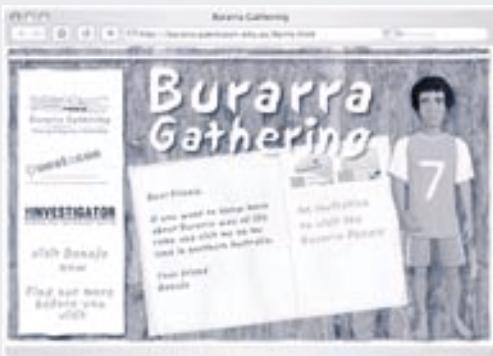
As part of the Centre's cycle of program reviews, an independent evaluation of NRMA Roadzone was completed, indicating that this outreach program continues to be well received by teachers and students due to its capacity to actively engage learners, the expertise of the program presenter, and its appeal to the target age group.

During the year, the Centre coordinated a national project to measure the nature of and extent to which science, mathematics, engineering and technology awareness and education programs are delivered to schools and communities in regional, rural and remote Australia.

Two surveys—one for providers of outreach programs and another for schools receiving outreach programs—enabled the collation of extensive data across the nation. The data mapped the needs and issues affecting the delivery and uptake of outreach programs operated by Questacon, other science centres and museums, CSIRO science education centres, universities and other providers.

The data is assisting in the development of a coordinated, national strategy to address issues relating to the equitable provision of awareness and education programs to schools and communities living outside of capital cities.

Burarra Gathering online



The entry page that has welcomed thousands of visitors to this award-winning virtual exhibition.

Burarra Gathering is Questacon's latest online program. This virtual exhibition has been specially designed to parallel the learning experiences available through an actual visit to the *Burarra Gathering* exhibition at Questacon in Canberra. Both the physical and the online exhibition present, in an interactive way, contemporary and traditional knowledge and technology of the Burarra people.

Both exhibitions enable visitors to explore five important aspects in the lives of the Burarra people—the seasonal calendar, fire making, navigation, tracking and fishing. The online version was developed as a joint project of the Burarra community, the Investigator Science and Technology Centre and Questacon.

The Department and Questacon are combining resources to conduct a study on the relative impacts of the virtual exhibition on virtual visitors, compared with the impacts of the actual exhibition on visitors experiencing the physical exhibition. Both the virtual and the physical exhibitions have been carefully designed to provide the opportunity to encounter the same exhibit experiences. This research should be of interest to the wider field of cultural institutions who are asking the question 'Is it possible for a virtual exhibition to generate similar visitor impacts when compared with a physical exhibition?'

Since its online opening on 22 May, *Burarra Gathering* has been visited by more than 7000 visitors. The online exhibition has received major international online awards, including the Exploratorium Ten Cool Sites Award for Educational Excellence and the USA Today Hotsite Award.

Outcome 4

Increased use, enjoyment and safety of Australia's audiovisual heritage

Resources for outcomes—Outcome 4

	(1) Budget* 2002–03 \$'000	(2) Actual expenses 2002–03 \$'000	Variation (column 2 minus column 1) \$'000	Budget 2003–04** \$'000
Administered expenses (including third party outputs)	-	-	-	-
Total administered expenses	-	-	-	-
Price of departmental outputs				
Output 4.1 A high-quality, safe and accessible national audiovisual collection	43,496	43,081	(415)	20,782
Output 4.2 The national audiovisual collection is widely accessed by the public	10,109	10,048	(61)	8036
Revenue from Government (appropriation) for departmental outputs	46,490	46,490	0	22,085
Revenue from other sources	7115	6639	(476)	6733
Total price of outputs	53,605	53,129	(476)	28,818
TOTAL FOR OUTCOME 4 (Total price of outputs and administered expenses)	53,605	53,129	(476)	28,818

Average staffing level	2002–03	2003–04
Average staffing level	204	209

* Budget estimates as at 2002–03 Portfolio Additional Estimates Statements.

** Budget estimates as at 2003–04 Portfolio Budget Statements.

Note: There are a number of changes in the outcome and output structure in 2003–04. For the purposes of the Annual Report, these changes have been amended to fit the 2002–03 outcome and output structure.

The 2003–04 changes are:

- Outcome 4 ceases to exist as it has been merged with Outcome 1 in 2003–04 (has since been transferred to the Australian Film Commission effective from July 1 2003).
- Outputs 4.1 and 4.2 cease to exist as they have been merged with Output 1.2 in 2003–04 (has since been transferred to the Australian Film Commission effective from July 1 2003).

Performance indicator index

Performance indicator	PBS page reference	Annual Report page reference
Departmental outputs		
Output 4.1 A high-quality, safe and accessible national audiovisual collection	62	98
Output 4.2 The national audiovisual collection is widely accessed by the public	62	104
Evaluations		
Stakeholder and customer surveys	63	108

EFFECTIVENESS

Overall achievement of the outcome

ScreenSound Australia—the National Screen and Sound Archive, develops and maintains an audiovisual collection reflecting Australian culture and the audiovisual industry. It promotes, interprets and encourages access to, and use of, the collection throughout Australia, as well as providing advice and assistance for overseas archives.

Safety of the national collection

All accessioned collection material is stored in the appropriate environment

Treat collection material identified through risk assessment

During 2002–03, all accessioned materials were stored in a temperature and humidity controlled environment. Storage areas maintained the required relative humidity for 95 per cent of the time and temperature for 99 per cent of the time.

ScreenSound Australia continued to treat collection material identified through annual quantitative risk assessment. Preservation activities were conducted according to agreed priority listings established through an annual collection risk assessment.

Development of the national collection

Three per cent increase in the size of the national collection

Deselect items that no longer suit collection policy

As a result of collection development activities, the collection grew in size by approximately 34 600 items, which equates to a 2.7 per cent increase from 2001–02.

During 2002–03, ScreenSound Australia removed 3637 items from the collection according to de-selection protocols. Approximately 100 000 items were removed from the collection in 2001–02, largely a result of the Collection Security Registration project, which was completed early in 2002–03.

Control of the national collection

Accurate description of all new acquisitions entered into database

All new material registered upon receipt

No content of cultural significance is lost during the year

All new material was registered on receipt and 100 per cent of priority acquisitions were accessioned within 12 months of receipt. No content of cultural significance was lost during the year.

Access to the national collection

Total annual viewing audience of 65 per cent of the Australian population (12.35 million people)
A total of 390 000 visitors to exhibitions/shows and viewers of ScreenSound products

It is estimated that at least 65 to 70 per cent of Australia's population viewed or listened to some part of the National Collection during the year via media distribution channels. This equates to 12.9 to 13.9 million people.

There were 458 834 visitors to exhibitions/shows and viewers of ScreenSound Australia products — a decrease of 11 per cent from 514 533 last year. This decrease is due to a combination of downturn in visitor numbers with the Canberra bushfires in January 2003 and a general downturn in visitor numbers to Australia, as well as the re-allocation of resources in order to undertake preservation budget activities. This re-allocation of resources resulted in a reduction in the number of products released and the number of venues visited by travelling exhibitions, such as *Big Screen*.

DEPARTMENTAL OUTPUTS

Output 4.1 A high-quality, safe and accessible national audiovisual collection

The internal re-allocation of resources during 2002–03 resulted in a focus on activities that involved preserving or copying collection material. This focus on preservation activities and the creation of a dedicated still image services unit resulted in significant increases in the amount of preservation film and still images treated from 2001–02.

Work continued on expanding ScreenSound Australia's digital capability with the completion of work on the digital mass storage system and significant enhancements to the Merged Audio Visual Information System (MAVIS) collection database.

Despite a reduced focus on collection development and information activities during the year, the Collection Security Registration project was completed. This practically eliminated the accessioning backlog.

An analysis of storage facilities is underway to deal with the predicted long-term growth of the collection. This will involve the optimisation of existing storage facilities over the next five years. More efficient storage systems will be installed which will increase ScreenSound Australia's storage capability and the accessibility of the collection. This rationalisation will also assist in ongoing risk management activities and the preservation of the collection.

One hundred per cent of priority acquisitions accessioned within 12 months

ScreenSound Australia achieved its aim of accessioning 100 per cent of priority acquisitions within 12 months of receipt.

The Collection Security Registration project was completed and all unaccessioned material was documented into the collection quickly and effectively. A stocktake of the entire preservation collection was also completed, being one of the first such programs in the world.

As a result of these two exercises, a total of 65 750 items have been added to the collection management database and are now controlled and accessible. Of these items, 13 000 were added in 2002–03. This virtually eliminates the backlog of unaccessioned audio-visual material.

Accessioning work was completed on several large and significant collections. This included more than 2500 16mm film reels for Crawford Productions, covering several major television series and miniseries, and over 2000 discs, tapes, posters, still images and memorabilia items for the Australian rock band, Mental as Anything.

Staff performed quality assurance on data for two major projects undertaken by the Archive during the year:

- Music Australia—a joint pilot project with the National Library of Australia to develop a web-based service to bring together and deliver music resources from a wide range of collecting institutions and agencies across Australia; and
- the Learning Federation—an initiative to develop online interactive curriculum content specifically for Australian and New Zealand schools.

Demand for digital content and the associated upgraded data is expected to increase over coming years. Work continued on developing methodologies and processes for streamlining the delivery of content and metadata.

Ninety-five per cent of the time storage conditions maintained at optimum standards

ScreenSound Australia currently stores some 1.33 million items in the collection. During 2002–03, optimum environmental storage conditions were maintained at the Mitchell facilities. Storage areas maintained the required relative humidity for 95 per cent of the time and temperature for 99 per cent of the time. These results are within the prescribed performance indicators directly assisting ScreenSound Australia to meet long-term preservation requirements.

To deal with the predicted long-term growth of its collection, ScreenSound Australia is undertaking a range of preservation activities including continuing work on analysing storage options. The aim of this analysis is to optimise the capacity of existing storage facilities in the short term (up to five years) and to provide ongoing risk management activities specifically for preservation film, video and documentation material.

One hundred per cent of materials acquired meet identified collection priority needs and formal preferences

All items acquired by ScreenSound Australia met the identified collection priority needs and criteria outlined in the Collection Development Policy and Guidelines. The total acquisition figure for 2002–03 was 15 011 titles. The number of audiovisual titles acquired during the year fell from 11 760 in 2001–02 to 7444 this year, due to a general reduction in resources applied to this area.

Major collection development activities undertaken during the year include the completion of the *Radio with Pictures* oral history program of interviews with television pioneers, and a substantial acquisition of electronic music by Australian composers and performers. ScreenSound Australia also acquired over 600 film prints through the Australian Film Commission (AFC), following rationalisation of their holdings. This acquisition considerably improves ScreenSound Australia's feature film collection.

In addition, the various contracts related to deposit of material were redeveloped, and the Collection Development policy and guidelines were revised to more clearly incorporate new technology productions.

Staff completed the last collection guide in the Oral History series. The collection guide lists oral histories recorded in moving image format for film, television, radio and music. This series of guides, available online, provides a comprehensive coverage of the Archive's oral history collection and contributes to providing access to the Distributed National Collection of oral histories. The Collection includes the holdings of all major libraries, archives and museums and industry, private and volunteer-run collections in Australia.

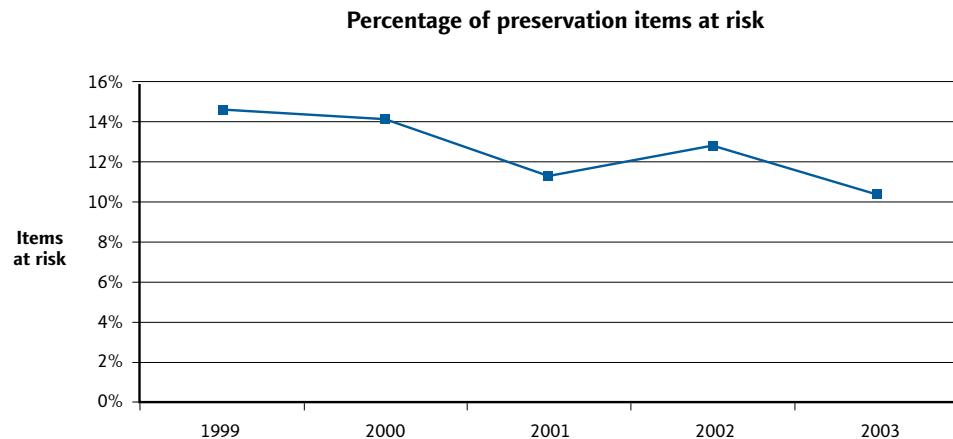
Safety of collection, as measured by risk analysis, is maintained

The risk posed to collection items is determined through analysis of a number of risk factors such as decomposition rates of the physical item and storage conditions, and other factors such as the availability of purpose-made preservation copies.

Quantitative risk assessment of the collection indicated that the total number of preservation items increased by ten per cent or 28 000 items. The total number of collection items assessed at low risk increased by over 32 000 items from 2001–02. A reduction in items assessed at high risk of over 3800 items resulted in a net decrease in the overall percentage of risk to preservation materials of 2.3 per cent.

Graph 2 demonstrates the percentage of reduction in risk to preservation items over the past five years.

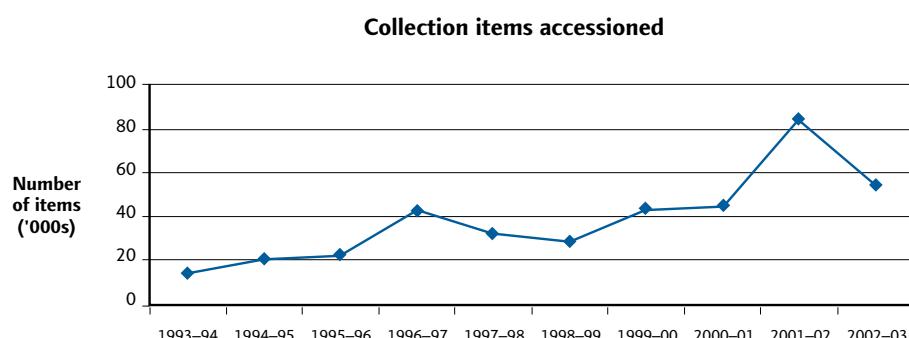
GRAPH 2: Percentage of preservation items at risk



50 000 items registered or accessioned in 2002–03

As illustrated in Graph 3, staff entered a total of 54 000 items into ScreenSound Australia's collection management system database during 2002–03. Of these, 34 600 items were new additions to the collection. This represents a decrease of 36 per cent compared to last year's figure, which was exceptionally high due to the large number of backlog items registered during the Collection Security Registration project. Nevertheless, it exceeds the target of 50 000 due to the streamlined accessioning of large acquisitions and the activities of the newly created Still Image Services section, and is an increase over the number of items accessioned in 2000–01.

GRAPH 3: Total collection items accessioned



9000 titles acquired into the collection

ScreenSound Australia acquired a total of 15 011 titles for the collection during 2002–03. This represents a decrease of 19 per cent over 2001–02 but exceeds the target figure of 9000 titles due to a number of large high priority collection acquisitions. The decrease in titles acquired during 2002–03 was caused by a decrease in resources in the collection development area, due to capitalisation budget requirements.

Acquisitions for ScreenSound Australia's collection comprise both contemporary and retrospective material. This year, titles acquired include:

- 271 AFC or Film Finance Corporation Australia funded film and television titles;
- 928 film prints;
- 252 other film components;
- 500 radio titles;
- 900 television titles;
- 4131 sound recordings;
- 67 new media (web pages);

- 59 home movie titles;
- 129 oral histories;
- 73 advertisements;
- 134 other titles; and
- 7567 documentation items.

Significant acquisitions for this reporting period include:

- documentation, awards and personal library and memorabilia from the estate of the late John Heyer;
- coverage of the Canberra bushfires in January 2003; and
- feature films, such as *Crackerjack* (d. Paul Moloney, 2002), *Looking for Alibrandi* (d. Kate Woods, 1999), *The Tracker* (d. Rolf de Heer, 2002), *The Last Days of Chez Nous* (d. Gillian Armstrong, 1992), *Garage Days* (d. Alex Proyas, 2002) and *Reckless Kelly* (d. Yahoo Serious, 1993).

Identified priority items disposed from the collection

ScreenSound Australia utilises a de-selection process as a means of refining its collection. Materials may be removed from the collection for example because duplicate copies are held, better copies have been acquired, copies are worn, outmoded or physically deteriorated or, in hindsight, the content may not merit retention, or are readily available from other sources. During 2002–03, ScreenSound removed 3637 items from the collection according to de-selection protocols. These items were de-selected as part of the final stages of the Collection Security Registration project and the continuing program of de-selection.

290 000 feet of preservation film and 1600 video and sound preservation carriers treated

Due to financial restrictions during the year, ScreenSound focused increasingly on preservation work. This resulted in a decrease in the work undertaken for collection development, access and product development purposes.

A total of 213 634 feet of preservation film was treated during the year—an increase of 36 per cent from the previous year but short of the target of 290 000 feet. This was largely due to the loss of three highly trained technical operators occupying key positions within the area and the long training cycle for new staff. There was an increase of 6.6 per cent in the number of audio and video carriers preserved.

Digital copying of still image collection materials was expanded with the establishment of a dedicated technical production unit in August 2002.

Material preserved, that was assessed as high risk with high heritage value content, included:

- 176 000 feet of black and white and colour film;
- 332 two-inch videotapes;
- 205 U-matic videos;

- 150 magnetic film soundtracks; and
- 2175 items of documentation material.

To support the increase in digital preservation work, ScreenSound Australia completed work on its digital mass storage system. A StorageTek robotic tape library was added to the existing disk array in November 2002. This facility is now the primary storage for digital audio, video and still images.

TABLE 10: Summary of key preservation activities for 2002–03

		2000–01	2001–02	2002–03	Increase or decrease on previous year
Treated for preservation	Film printed (in feet)	187,270	157,018	213,634	36.06%
	Audio and video carriers transferred	1806	2404	2562	6.57%
	Still image carriers transferred to digital	1338	797	1965	146.55%
Treated for collection development	Audio and video carriers transferred	1612	2108	1524	-27.70%
	Still image carriers transferred to digital	-	-	12	-
Treated for access	Film printed (in feet)	12,447	77,020	35,315	-54.15%
	Audio and video carriers transferred	1813	2242	2499	11.46%
	Still image carriers transferred to digital	-	-	115	-
Treated for product development/visitor services/outreach/exhibitions	Audio and video carriers transferred	1173	1037	895	-13.69%
	Still image carriers transferred to digital	-	-	278	-

Other major activities undertaken during the year included providing specialist professional advisory and copying services to various national and international organisations including: the National Archives of Australia, the Australian Broadcasting Corporation, Queensland State Archives, and the Library of Congress, United States. A major project to copy 2350 hours of high heritage value audio content was commenced for the National Archives of Australia.

ScreenSound Australia continued the reconstruction of the Australian classic silent film *The Sentimental Bloke* (1919) with the assistance of Kodak Australasia and Atlab Australia, incorporating new material found at George Eastman House in the United States. New preservation components have been made prior to reprinting.

Output 4.2 The National audiovisual collection is widely accessed by the public

A wide range of programs, including live presentations, exhibitions, film screenings, and products, provide public access to the National Collection.

Exhibitions for ScreenSound Australia for the 2002–03 financial year included: *Sights + Sounds of a Nation*, exploring 100 years of Australian film, television, radio and recorded sound heritage; *Off the Wall*, an exhibition of Australian poster art for rock music events; and *Spinning Around: 50 years of Festival Records*.

Big Screen: a celebration of Australian Cinema was a major touring exhibition, in partnership with the Australian Film Commission, for the year. It visited 15 venues across Queensland, Western Australia, New South Wales, Victoria, Tasmania and the Northern Territory in May. *Big Screen 2003* was launched in Echuca by Senator Rod Kemp, Federal Minister for the Arts and Sport.

In addition to the major enhancements to MAVIS to support the digital agenda, work was completed on the digital mass storage system with the addition of a robotic tape library. These improvements have significantly increased the amount of digital collection material, with the digital collection increasing in size by more than 82 per cent over 2002–03. As a result more digital content has been made available via the online catalogue (on the ScreenSound Australia website).

95 per cent of clients serviced according to the Service Charter

As was the case in 2001–02, 98 per cent of clients were serviced according to the ScreenSound Australia Service Charter service standards in 2002–03. These service standards are listed in the report of performance against the Service Charter.

95 per cent of visitors to on-site exhibitions and participants in public outreach activities are satisfied.

Surveys of clients who visited ScreenSound Australia's exhibitions or attended live presentations, screenings and outreach activities indicated that overall 97 per cent of clients rated them as good to excellent. This is consistent with the figure of 98 per cent in 2001–02.

ScreenSound Australia's website was available 99 per cent of the time during the reporting period. Policy documents and other administration documents for visitor information and orientation are available on the website, which also includes a facility for users to provide feedback.

3000 access requests serviced

One hundred per cent of access requests received were serviced. ScreenSound Australia's client centres in Canberra, Melbourne and Sydney serviced 2437 access requests during the year. This represents an increase of 3.4 per cent against an updated 2001–02 figure of 2358 access requests.



The provision of archival material to industry bodies, including media distribution channels, helps to increase the profile of the collection and the work of ScreenSound Australia. ScreenSound Australia provided a number of Australian television and radio program broadcasters with archival material from its collection such as: *The Monday Dump with Roy and HG* (Seven Network), *This Is Your Life* (Nine Network), *The AFI Awards* (Network Ten), *100 Years – The Australian Story* (ABC), and *Drive With Mike Carlton* (Radio 2UE).

9500 access inquiries answered

Staff responded to a total of 10 236 inquiries during the year, comprised of:

- 5408 by Canberra office staff;
- 1969 by Sydney office staff; and
- 2859 by Melbourne office staff.

This is an increase of 4.6 per cent from 2001–02. Research access to the collection was enhanced by improvements to the online collection database. Forty-five per cent of access requests in 2002–03 were made electronically—an increase of 11 per cent from the previous financial year.

65 per cent (12.35 million people) of the Australian public view or listen to at least one item from the collection during the year, via media distribution channels

It is estimated that at least 65 to 70 per cent of Australia's population viewed or listened to some part of the National Collection during the year via media distribution channels. This equates to a minimum of 12.9 to 13.9 million individual people. The next annual Audience Reach Survey is to be undertaken in mid-August 2003.

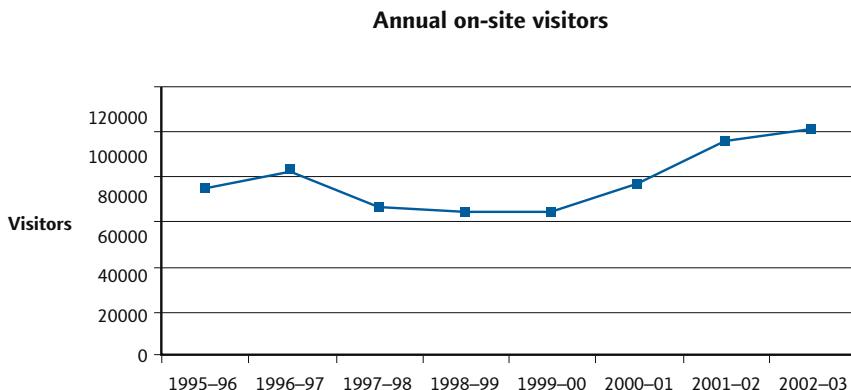
Programs broadcast comprising archival material included: *Stateline* (ABC), *Sunday* (Nine Network), *The Kokoda Trail* (SBS), *Harry's Practice* (Seven Network), and *Australia All Over* (ABC Local Radio).

110 000 on-site visitors to exhibition, public, education and cultural outreach programs

Visitors to ScreenSound Australia exhibitions, presentations, screenings or events in Canberra increased by three per cent from the previous financial year, representing 100 840 people. This is an eight per cent shortfall against the target of 110 000 visitors and is due primarily to the downturn in visitors as a result of both the Canberra bushfires in January 2003 and the general downturn in the number of inbound tourists to Australia.

Since 1998–99, there has been a steady increase in visitors to ScreenSound Australia's Canberra premises, as demonstrated in Graph 4.

GRAPH 4: Annual on-site visitors



Exhibitions for ScreenSound Australia for the 2002–03 financial year included *Off the Wall*—an exhibition of poster art for rock music events, showcasing some of Australia’s influential poster artists—and *Spinning Around: 50 years of Festival Records*. The latter exhibition, a collaborative project between the Powerhouse Museum, ScreenSound Australia and Festival Mushroom records, showcases the story of Festival records, Australia’s oldest independent record company. Both exhibitions assisted in attracting a younger demographic to the Archive.

A number of musical events attracting good audience numbers were held in conjunction with the *Spinning Around* exhibition, such as *Lager than Life—The Story of Pub Rock*, which attracted 130 people.

A number of public screening events were presented in collaboration with other organisations including: *Tropfest*, a short film festival broadcast live to venues around the country—with the National Capital Authority at Commonwealth Place—attended by 5000 people (a 150 per cent increase over previous year); and the *National Multicultural Film Festival*—ten feature films provided by Embassies. Events and activities in Canberra continued to attract good audience numbers for screenings in the ScreenSound Australia theatre, and good numbers to musical events.

Educational programs were delivered to booked groups totalling over 43 000 children and adults, a five per cent increase over the previous year. More than 5000 independent visitors also attended the *Introducing ScreenSound Australia* presentations held on weekends. *The Travelling Film and Sound Show* entertained 7700 people at Floriade in 2002, a 33 per cent increase over the previous year.

60 000 visitors to external programs

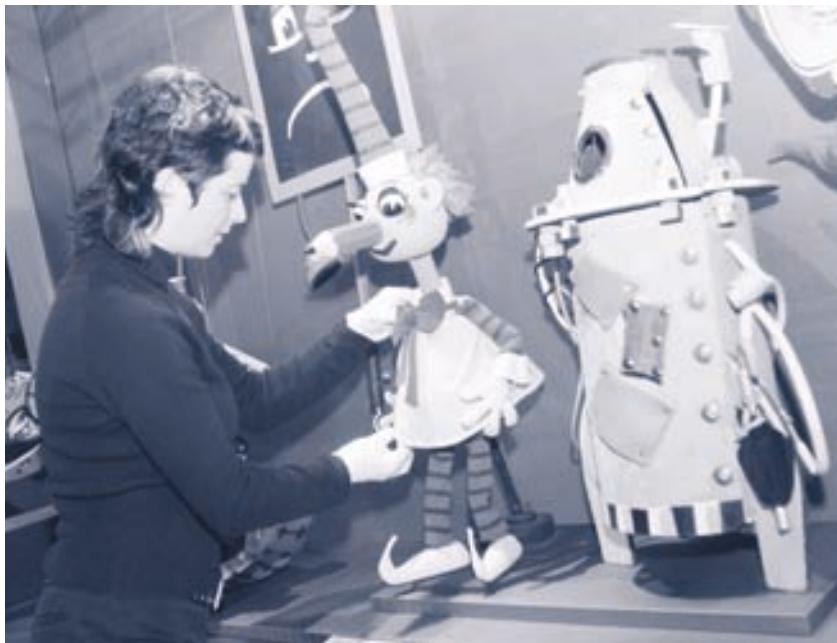
A total of 53 394 people attended programs external to Canberra—a decrease of 28 per cent over the previous year and a shortfall of 11 per cent against this year’s target of 60 000 visitors. This shortfall is due in part to the reduction of the number of venues visited by the *Big Screen* regional film festival and a re-allocation of staff resources into preservation activities.

The major touring exhibition for the 2002–03 financial year was the *Big Screen* film festival, which visited 15 venues across Queensland, Western Australia, New South Wales, Victoria, Tasmania and the Northern Territory. Generating awareness of Australian screen culture, these three-day festivals of classic and new release Australian feature films were seen by a total audience of 17 872 people. *Big Screen 2003* is a joint project between the Australian Film Commission and ScreenSound Australia, and is supported by the Australian Government through the Department's Cultural Development Program.

220 000 people view/listen to ScreenSound Australia products

An estimated 304 600 people viewed or listened to products based on the collection, comprising 192 000 people who viewed or listened to ScreenSound Australia products sold in 2002–03 and 112 600 people who viewed or listened to ScreenSound Australia products sold in the previous five years. This is a decrease of 11 per cent from the previous year. This decrease is due to a relocation of resources to satisfy budget requirements, which in turn resulted in a reduced number of products being produced during the year.

ScreenSound Australia's product development program produced nine additional audio, video, DVD and print products drawn from film and sound material in the collection during 2002–03. The product range now totals 143 titles. This program provides low-cost access to the collection, with the production development process providing supplementary preservation, collection development and access outcomes.



Exhibition Curator,
Toni Bailey, preparing
Mr Squiggle for *Sights +
Sounds of a Nation*
courtesy Norman and
Margaret Hetherington.

Photo by Irene Dowdy.

EVALUATIONS

Stakeholder and customer surveys

Surveys assessing user and stakeholder satisfaction, and performance against Service Charter standards are conducted on a periodic basis. The following evaluations are currently undertaken:

- visitor feedback forms for people visiting exhibitions;
- feedback forms from teachers attending Public Education Program presentations with school groups; and
- feedback cards to accompany products. These are being modified in order to increase the usefulness of feedback received.

ScreenSound Australia received 71 pieces of solicited written feedback regarding collection access services. This feedback was in the form of a client survey postcard and includes postcards disseminated by staff in the Sydney and Melbourne Offices. A total of 100 per cent of respondents indicated they were happy with the service they received from ScreenSound Australia, and 100 per cent of clients said requests were met within their timeframe.

In addition to formal feedback, 56 pieces of unsolicited written feedback were received in the form of emails, cards, letters and faxes. All but five pieces of feedback were positive. The negative feedback related to issues such as ScreenSound Australia's lack of digitised moving image on its website, the condition of an Access print, the Schedule of Fees, access to documentation stored at Mitchell and clearing copyright. Collection Access staff dealt promptly with these complaints, offering appropriate explanations.

Management and accountability

The Corporate and Business Division, the Legal Group and the Finance and Budget Group provide operational support and strategic advice to the Executive and staff on management and accountability issues.

Corporate governance

Overview

The Department has continued to strengthen its governance structures over the reporting period. This has included a greater role for the Executive, the Executive Management Group and the Audit, Risk and Evaluation Committee. This, coupled with new governance arrangements for the Department's Information Management Committee, including the introduction of project boards and project management guidelines, has led to the improved delivery of corporate services and better reporting on departmental performance to senior management. The development of the Department's new Governance Framework (see page 110) will ensure the Department achieves an appropriate balance between compliance and performance.

The Department offers governance and risk management training as part of its core training calendar and more than 100 staff attended these courses during the year.

The Department also developed a new outcome and output structure for use from 2003–04 onwards. This structure more closely reflects its activities and, in parallel, the Department has developed new performance indicators to improve its performance reporting in the future.

An independent review of the Department's Client Service Charter was completed and the new Client Service Charter was released in June 2003.

Governance Framework

The Department's Governance Framework, pictured below, strategically links its systems, structures and processes to ensure the efficient delivery of its outcomes.

The Framework's key components include effective:

- compliance with statutory obligations, planning and policy setting, particularly risk, financial, information and people management; and
- performance monitoring and reporting.



Senior management committees

The Department's corporate committees form an important element of the Department's governance and leadership framework. The committees advise and support the Secretary and the Executive through strategic management, policy setting and assurance advice. The Executive has continued to review and improve the committees' structures and performance during the year to ensure rigorous governance systems are in place in the Department.

The Department's committee structures and people management initiatives will be further strengthened with the decision to implement a new Human Resource Management Committee and Workplace Diversity and Harassment Committee in the new financial year.

TABLE 11: the Department's senior management committees for 2002–03

Committee name	Role	Membership
Executive Group <i>(meets approximately every 3 weeks)</i>	<p>The Executive Group met for the first time on 19 August 2002 and was established by the Secretary to consider strategic managerial and operational issues. Many of the issues in this forum are then referred to the Executive Management Group for broader discussion before endorsement.</p> <p>During this reporting period, the issues considered by the Executive Group included succession planning, a new outcome/output structure for the Department, new performance indicators and the revised draft Corporate Plan.</p>	The Secretary, Helen Williams (Chair), Deputy Secretary Arts and Sport, Deputy Secretary Communications and the Chief General Manager Corporate and Business.
Executive Management Group (EMG) <i>(meets weekly)</i>	<p>EMG considers matters of corporate governance, accountability and operational effectiveness and monitors the financial performance of the departmental and administered programs. It plays a key role in the Department's strategic planning and corporate performance monitoring with all other governance committees regularly providing reports.</p> <p>As well as receiving these updates throughout the year, EMG regularly discussed draft corporate documents and plans before finalisation. Issues that have policy significance for the Department are also regularly discussed (for example, the Australia-US Free Trade Agreement negotiations).</p>	The Secretary, Helen Williams (Chair), both Deputy Secretaries, all Chief General Managers, General Counsel, Chief Financial Officer, and the Special Adviser Arts and Sport.

Table 11 continues overleaf...

TABLE 11 (continued): the Department's senior management committees for 2002–03

Committee name	Role	Membership
Audit, Risk and Evaluation Committee <i>(meetings held on 11 September 2002, 11 December 2002, 13 March 2003, 12 June 2003, and a special meeting was held on 26 June 2003)</i>	<p>The Audit, Risk and Evaluation Committee, in accordance with the FMA Act, provides independent advice to the Secretary on the Department's control frameworks, externally published financial information, and on compliance with statutory obligations.</p> <p>The Committee considered a range of issues during the year, including the Department's 2002–03 Internal Audit Plan; Fraud Control Plan; 2001–02 Financial statements; and oversaw the implementation of ANAO Audit report recommendations.</p>	The Deputy Secretary Communications, Fay Holthuyzen (Chair); Mr Peter Kennedy, External Member (Integrity Adviser, ATO); Chief General Manager, Corporate and Business Division; General Manager, ICT Innovation; Special Adviser, Arts; and the Director National Science and Technology Centre.
Workplace Consultative Committee (WCC) <i>(meetings held 25 February 2003 and 4 June 2003)</i>	<p>WCC was established under the Department's Certified Agreement as a mechanism to consult with staff and provide advice to management on workplace issues, oversight implementation of the Certified Agreement and to provide input for the Department's successor agreement.</p> <p>The Committee considered a range of key issues including: the development of an Executive Level 1 leadership and management program; a report on the implementation of new travel arrangements; and options for suitable broadband classifications.</p> <p>In addition, the Committee established two sub-committees to identify, investigate and report on productivity improvement initiatives for use in subsequent agreement making processes and to identify and report on possible work and family initiatives for implementation in the Department.</p>	The Secretary, Helen Williams (Chair), Chief General Manager Corporate and Business, Chief Financial Officer, Senior Adviser, People Development and Management, elected staff representatives from each division, Old Parliament House and the Department's Graduate Program, and CPSU union representation.
Occupational Health and Safety (OH&S) Committee <i>(meetings held 30 July 2002, 27 August 2002, 26 November 2002, 17 December 2002, 4 February 2003, 11 March 2003, 9 April 2003, 2 June 2003)</i>	The OH&S Committee reports to the WCC on the Department's progress with meeting its OH&S responsibilities. A detailed report on the Department's OH&S activities is provided at Appendix 4.	The General Manager, Research, Statistics and Technology, David Luck (Chair), Senior Adviser, People Development and Management and elected health and safety representatives from each designated work group (currently nine).

Table 11 continues overleaf...

TABLE 11 (continued): the Department's senior management committees for 2002–03

Committee name	Role	Membership
Information Management Committee (IMC) <i>(meetings held on 26 September 2002, 9 December 2002, 4 April 2003 and 26 June 2003. Two special meetings were also held on 30 April and 5 June 2003)</i>	The IMC provides strategic advice to the Executive Management Group on the management of the Department's information technology needs. The Committee considered a range of issues during the year, including: the 2003–05 ICT Strategic Plan; initiated formal ICT governance arrangements for IT related projects, including annual project bidding and quarterly reporting from project boards; commenced a review of enterprise reporting; and undertook a review of options for ICT services post Group 5 arrangements.	Chief General Manager Corporate and Business, Craddock Morton (Chair), General Manager Information, Technology and Facilities, Chief General Manager Broadcasting, General Manager Regional Communications Policy, General Manager ICT Innovation, General Manager Film and Digital Content and Secretary's Executive Officer.
HR Reference Group and Joint Management Committee <i>(no meetings in 2002–03 due to Review of HR Services)</i>	Note: this group will be replaced by a new HR Management Committee, which will be established following findings of the review of HR Services.	



Members of the Department's Senior Executive Service.

Business planning

The Department's Strategic Plan for 2000–03 provides the broad strategic directions and key priorities which the Department pursued in 2002–03 to encourage the development of communications, information technology, the arts and sport in Australia and to achieve outcomes that meet the Australian Government's objectives for these sectors.

The Strategic Plan is supported by Divisional Business Plans that detail the key activities and outputs for each Division in meeting the Department's outcomes for 2002–03. The Department's Strategic and Divisional Business Plans are underpinned by the Department's performance management system, which guides the management of individual and team performance.

A Senior Executive Service planning day was held in May 2003 to consider the strategic environment and key business priorities for the next three years. Issues discussed included:

- the impact of inter-generational demographics in the development of policy and delivery of services;
- the challenge of retaining cultural diversity in the face of increasing pressure for globalisation;
- the need to capitalise on the wider role of ICT as a driver of growth across the economy and Australian leadership potential in the international ICT sector; and
- the pressure for greater accountability of Government agencies and corporations.

A new Corporate Plan for 2003–06 was developed for the Department to guide the development of business plans for 2003–04.

Audit, risk and evaluation

The Department's Audit, Risk and Evaluation Committee is responsible for advising the Secretary on the Department's audit, risk and evaluation requirements, in particular to assure the Secretary that the Department is complying with its statutory obligations. During the year, the Committee's major focus was on the establishment of improved reporting on the implementation of audit recommendations and new risk management frameworks, in particular for fraud control and business continuity. Further information on the Department's activities in the audit, risk and evaluation areas is provided below. In addition, the Committee oversaw the implementation of a number of external audit report recommendations made by the Australian National Audit Office (ANAO)—a list of the reports considered during the year is provided under External Scrutiny (see page 116).

Internal audit

The Department's internal audit services are provided by KPMG and overseen by the Department's Audit, Risk and Evaluation Committee. Following consideration of the Department's Risk Management Plan and discussion with senior management, and in line with the Department's Strategic Audit Plan, a detailed Annual Audit Plan for 2002–03 was developed by the auditors, endorsed by the Committee and approved by the Executive Management Group.

Assignments conducted this reporting period as part of the Annual Audit Plan were:

- Grant programs—financial profiling of expenditure;
- Asset Management Plan; and
- Management of contracts.

Two assignments identified in the Plan—Contractor Management and Purchasing and Delegations—were commenced this year but will not be completed until early in 2003–04. In addition, KPMG undertook a number of additional assignments during the year including a review of Networking the Nation grant performance and an audit of the Department's outsourced human resource services provider.

While a number of recommendations were made, no serious control breaches were found during the reporting period. The Department's Audit, Risk and Evaluation Committee receives a report on the implementation of internal audit recommendations on a quarterly basis.

Risk management

The Department's Risk Management Policy and Guidelines aim to ensure that the Department systematically identifies and proposes strategies to manage risk, and applies cost effective risk management practices. The Risk Management Plan for 2002–03 was developed through a comprehensive bottom-up risk assessment approach and included the addition of risk management training to the Department's compulsory training program. Risks identified included contract management (including grants), staff retention and attraction, systems and security risks and strategic and political risks.

In addition to the Risk Management Plan the Department established a Business Continuity Management Team and commenced work on the development of a Business Continuity Plan, in accordance with the ANAO's Better Practice Guide, for its main premises at 38 Sydney Avenue. The Plan will be completed in September 2003.

Fraud control

The Department is committed to effective fraud management and control and to the minimisation of fraud through the identification of risk and the development, implementation and regular review of a range of fraud prevention and detection strategies. The Department conducted a new fraud risk assessment and issued a revised Fraud Control Plan during the year to meet its obligations under the *Commonwealth Fraud Control Guidelines 2002*.

Ethical standards

The Department is committed to supporting and promoting the Australian Public Service (APS) Values and Code of Conduct in accordance with the *Public Service Act 1999*. The APS Values and Code of Conduct are integrated into the Department's governance, training and performance management processes.

In addition, the Department's compulsory training program includes courses on the APS Values and Code of Conduct, Eliminating Workplace Harassment and Capitalising on Workplace Diversity. The Department's Induction Program also includes information addressing all of these matters. In this reporting period two Induction Programs were conducted with 64 staff attending and five APS Values and Code of Conduct courses were conducted with 180 staff attending. The Australian Public Service Commission also conducted seminars on the APS Values and Code of Conduct for 178 departmental staff.

The Department has in place a number of policies and guidelines on a range of ethical issues from the Chief Executive Instructions to use of the Internet and ownership of shares. During the year, the Department revised its guidelines on ownership of shares by departmental officers. These guidelines assist staff in meeting their legal obligations under laws dealing with conflict of interest and the improper use of official or inside information as they relate to share ownership.

External scrutiny

The ANAO issued a number of reports in the 2002–03 financial year, which were either of specific or general interest to the Department. The Department's Audit Risk and Evaluation Committee oversees the implementation of these reports on a quarterly basis. Audits in which the Department participated were:

Report No. 27: Management of Commonwealth Guarantees, Warranties, Indemnities and Letters of Comfort (Tabled 30 January 2003)

The report recommends that those departments and agencies with guarantees, warranties, indemnities and letters of comfort (which have not already done so):

- a) maintain an appropriate register of these instruments;
- b) consider the implementation of a contract register system, which among other benefits would be an aid to effective records management of these instruments; and
- c) review their physical security measures with a view to establishing appropriate safe custody and access arrangements for the documents associated with the instruments.

The Department was one of a number of agencies audited. The Department has an appropriate register of indemnities in place and its document security system for indemnities in relation to high value art exhibitions has been cited in the report as an example of sound practice. A list of current contracts over \$100 000 is regularly updated and displayed on the Internet. The Department will consider the implementation of the remaining recommendations through its 2003–04 risk management processes and in its review of its Chief Executive Instructions.

Report No. 36: Monitoring of Industry Development Commitments under the IT Outsourcing Initiative DCITA (Tabled 31 March 2003)

The audit reviewed the progress in the delivery of contractual commitments for industry development for the five contracts awarded under the IT outsourcing initiative, in particular the effectiveness of the Department's monitoring arrangements.

The ANAO recommended that, to assess the implementation and effectiveness of industry development policy for major ICT contracts, the Department should enhance the data it collects from agencies by requiring details of:

- a) all ICT contracts awarded with a value of \$20 million or more;
- b) small-to-medium sized enterprises participation levels committed to by the external service providers under those contracts;
- c) the categories of goods and service to be supplied under those contracts; and
- d) annual reports of achievement against the contracted SME participation levels.

The Department accepted the recommendations and will implement a new monitoring system to collect the recommended data in 2003–04.

Report No. 45: Reporting of Financial Statements and Audit Reports in Annual Reports (Tabled 4 June 2003)

This report examined the publication of financial statements and audit reports in the hardcopy and website forms of the annual reports of 117 Commonwealth reporting entities, which included the Department.

The ANAO recommended that annual reports be made available on websites as soon as possible after tabling in the Parliament, preferably within five days of tabling; a procedure for correcting errors in financial statements after receiving an audit report; ensuring that certified financial statements and audit reports are correctly replicated in annual reports; and where errors are found in the financial statements in an annual report consider taking corrective action, including notifying the responsible Minister, as appropriate. The Department is currently implementing the recommendations.

Report No. 52: Absence Management in the Australian Public Service (Tabled 20 June 2003)

The audit reviewed the management of unscheduled absence in 74 APS agencies, including the Department. The objective of the audit was to assess the extent and cost of unscheduled absence in the APS; to examine whether unscheduled absence in the APS was being managed efficiently and effectively; and to identify opportunities for improvement. The audit report listed the Department's unscheduled absence at the best practice level. The Department will continue to monitor and actively manage unscheduled absences.

Audits in which the Department has a special interest were:

- Report No. 16: The Administration of Grants (Post Approval) in small to medium organisations (Tabled 4 November 2002)
- Report No. 53: Business Continuity Management Follow-on Audit (tabled 23 June 2003)

Audits in which the Department had a general interest include:

- Report No.8: The Senate Order for Departmental and Agency Contracts, September 2002 (Tabled 18 August 2002)
- Report No. 13: Benchmarking the Internal Audit Function Follow-on Report (Tabled 23 October 2002)
- Report No. 18: Management of Trust Monies (Tabled 27 November 2002)
- Report No. 22: Payment of Accounts and Goods and Services Tax Administration by small Commonwealth organisations (Tabled 12 December 2002)
- Report No. 23: Physical Security arrangements in Commonwealth Agencies (Tabled 20 December 2002)
- Report No. 24: Energy Efficiency in Commonwealth operations—Follow-up Audit (Tabled 20 December 2002)
- Report No. 25: Audits of the Financial Statements of Commonwealth Entities for the period ending 30 June 2002 (Tabled 23 December 2002)
- Report No. 32: The Senate Order for Departmental and Agency Contracts, Spring 2002 Compliance (Tabled 5 March 2003)
- Report No. 41: Annual Reporting on Ecologically Sustainable Development (Tabled 7 May 2003)
- Report No. 50: Managing People for Business Outcomes, Year Two (Tabled 18 June 2003)
- Report No. 54: Capitalisation of Software (Tabled 23 June 2003)
- Report No. 60: Closing the Books (Tabled 27 June 2003)
- Report No. 61: Control Structures as part of the Audit of Financial Statements of Major Commonwealth Entities for the year ending 30 June 2003 (Tabled 30 June 2003)

Judicial decisions and decisions of administrative tribunals affecting the operation of the Department

There were no judicial decisions or decisions of administrative tribunals affecting the operations of the Department during 2002–03.

On 14 February 2003, the High Court granted the Hurstville City Council and other local government bodies special leave to appeal the Full Federal Court decision of *Telstra Corporation Limited & Ors v Hurstville City Council & Ors; Optus Vision Pty Ltd & Ors v Warringah Council & Ors* (2002) FCA 385.

On 4 April 2002, the Full Court of the Federal Court allowed an appeal by Telstra Corporation Limited and Optus Vision Pty Ltd challenging decisions of various local government bodies in Sydney and Melbourne to levy rates and charges on Telstra and Optus in respect of the land or airspace occupied by their telecommunications cables.

The Court held the rates and charges had the effect of discriminating against a carrier, or carriers generally, contrary to subclause 44(1) of Schedule 3 to the *Telecommunications Act 1997* and therefore to that extent were of no effect under section 109 of the Constitution. The High Court appeal from this decision is currently scheduled for hearing in early October 2003.

Commonwealth Ombudsman

The Commonwealth Ombudsman received one complaint on departmental matters during the year concerning a broadcasting issue. This complaint was from New South Wales and is due to be finalised in August 2003.

The Ombudsman made no recommendations during 2002–03 for act of grace payments.

Parliamentary committees

During 2002–03 the Department was involved in 18 Parliamentary Committee Inquiries. This compares with 14 in 2001–02.

The Department coordinated the Government's response to six Parliamentary Committee Inquiry reports and provided input to a further three Government responses. The Department also made written submissions or gave evidence to a further nine Parliamentary Committee Inquiries.

Details on the Department's involvement in Parliamentary Committee Inquiries for 2002–03 are at Appendix 10.

Client Service Charter

The Department is committed to providing quality client service, and monitoring and responding to feedback from its clients. The Department's Client Service Charter was independently reviewed during the year in consultation with its stakeholders, clients and staff. The review found that the Department was delivering its services to its clients in accordance with its Charter. Nevertheless, some improvement areas were identified and the Department's Client Service Charter 2003 was released in June 2003. The Charter explains the range and standards of services the Department's clients can expect and outlines its client's rights and responsibilities and the steps that they can take if service standards are not met.

A copy of the Client Service Charter is available on the Department's website at www.dcita.gov.au or on written request from the:

Client Service Manager
Department of Communications Information Technology and the Arts
GPO Box 2154
Canberra ACT 2601

The Department has continued to measure its client's satisfaction through its annual client survey. The Department has recently surveyed a representative sample of the Department's clients to obtain feedback on the Department's service delivery. A summary of the results of the survey is provided at Table 12.

Overall, the survey indicated 98 per cent of the Department's clients rated the service of departmental staff as satisfactory to excellent. Particular areas of strength were departmental staff's courteousness, the provision of fair and professional treatment of clients and the timeliness of advice to clients.

The survey identified two specific areas, however, where the Department could improve its service:

- consultation with clients with regard to the development and review of policy and legislation; and
- raising the awareness of clients of the Client Service Charter (more than 80 per cent of respondents indicated that they were not aware of the Client Service Charter prior to the survey).

The Department's Executive Management Group (EMG) has considered the results of the survey and will take these into account in developing a new survey and re-examining how it is used for 2003–04.

TABLE 12: Outcomes of 2002–03 Client Service Charter Survey

Survey category	Client charter standard	Results (rated performance as satisfactory to excellent)
Communication with clients—quality	Courteousness	100%
	Responsiveness	98%
	Willingness to assist clients	98%
	Fair and professional treatment	99%
	Timely oral and written advice that is clear, concise, accurate and complete	97%
	Technical/professional competence in providing advice	98%
	Sensitivity to diversity issues	97%
Telephone dealings with clients	Handling of telephone calls between 9.00 am and 5.00 pm	100%
	Staff identify themselves by name and/or work area	99%
	Resolution of less complex inquiries over the telephone	99%
	Resolution of more complex inquiries within three working days	97%

Table 12 continues overleaf...

TABLE 12 (continued): Outcomes of 2002–03 Client Service Charter Survey

Survey category	Client charter standard	Results (rated performance as satisfactory to excellent)
Email dealings with clients	Responding to inquiries as soon as possible	100%
	Responding to more complex inquiries within three working days	97%
Written or fax inquiries	Responding to inquiries as soon as possible, or if more complex within 20 days, or if not possible a suitable timeframe provided	97%
Administration of programs	Programs, application procedures and program policy issues were publicised using a range of methods	98%
	Equitable access to DCITA programs and services	99%
Development and review of policy and legislation	Fairly administered, in accordance with relevant published guidelines, criteria, regulations or legislation	96%
	Payments made within four weeks of acceptance of reports, and/or in accordance with relevant deeds	98%
	Consultation with interested parties as early as practicable, where appropriate	90%
	Consultation designed to include those most affected by changes on policy or legislation	91%

Management of human resources—Core Department

In 2002–03, Human Resource (HR) services were provided by The Empower Group as a continuation of a three-year HR outsourcing contract, which began in September 2001. The contract with The Empower Group covers the delivery of human resource management services including recruitment planning and selection, learning and development, performance management, remuneration management and occupational health and safety management.

In October 2002, the Department commenced a formal evaluation of the outsourced HR services. KPMG was engaged to undertake the audit aspects of the evaluation. The review found that the outsourcing of HR services had not delivered all the benefits that were envisaged on entry into the contract. The recommendations are currently being considered and implemented as appropriate, including a review of requirements for the provision of outsourced HR services and undertaking a market-testing process to establish a contract for provision of services post September 2004.

In terms of the management of human resources, emphasis during this year has been on staff development, workforce planning and occupational health and safety (OH&S) management. These issues are addressed in greater detail below.

Workforce planning

The Department, along with other APS agencies, faces new challenges in continuing to deliver high-quality business outcomes. The Department's ability for continuous improvement means workforce planning is becoming an increasingly critical issue.

The Department is developing a systematic approach to workforce planning which will assist in the management of risk, attraction and retention of staff and better allocation of resources for training, development and recruitment. This work is under way and will be completed in 2003–04.

Staffing overview

At 30 June 2003, there were 607 ongoing and non-ongoing staff members. This figure represents a five per cent increase in the overall number of staff in the Department since last year's report. The variation is a combination of the finalisation of function transfers between NOIE and the Department, Machinery of Government changes relating to the transfer of the Sport functions to the Department and commencement of the Melbourne 2006 Commonwealth Games Taskforce. Additional staffing details can be found at Appendix 8.

An analysis of the Department's employment shows that:

- the Executive Level 1 (EL1) classification grouping contains the greatest number of employees;
- there was a slight decline in numbers of staff at the Executive Level 2 (EL2) classification;
- the number of staff in the APS4 and APS5 classifications has increased; and
- the turnover for the Department was 22 per cent, slightly higher than last year's figure of 19 per cent, due mainly to the function transfers outlined above.

Certified Agreement

A new Agency Agreement was developed by an Agreement Working Group and presented to staff for consideration in September 2002. Seventy one per cent of the 522 eligible voters participated in the ballot, with a 78 per cent Yes vote. The Agreement was certified by the Australian Industrial Relations Commission on 14 October 2002. The nominal expiry date of the new Agreement is 30 June 2004.

The Agreement was negotiated through a formal consultative process in line with the objective of continuing a strong commitment to involving all staff. The new Agreement provided a 3.5 per cent salary increase across all classifications on the date of certification.

The Agreement provided a further two per cent salary increase effective from 1 July 2003, with an additional two per cent salary increase available on 1 July 2003 subject to the Department achieving the four specified pre-conditions outlined below. Achievement of each pre-conditional component qualified staff for a further 0.5 per cent increase to base salary.

The full two per cent salary increase was approved for payment based on the following results:

- *Pre-condition 1 Requirement:* 95 per cent of eligible staff having completed mid-cycle performance reviews by 13 December 2002. Outcome: 99.79 per cent completed by due date.
- *Pre-condition 2 Requirement:* 95 per cent of eligible staff having completed end-of-cycle performance reviews by 31 May 2003. Outcome: 100 per cent completed by due date.
- *Pre-condition 3 Requirement:* 95 per cent attendance at scheduled training courses by staff who nominated for such courses. Outcome: 98.51 per cent attendance rate achieved.

- *Pre-condition 4 Requirement:* A demonstrable increase in the reporting of OH&S incidents and hazards. Outcome: increase in reporting.

As is the case across the APS, it is becoming increasingly difficult to identify productivity initiatives and cost savings required to fund salary increases for staff covered by Certified Agreements. To address this, the Workplace Consultative Committee has established sub-committees to:

- identify, research and cost initiatives relating to productivity and working hours;
- conduct a review of performance management arrangements; and
- consider options for broadbanding.

It is hoped that initiatives identified through this process are able to be used to fund salary increases in future Agreements.

Australian Workplace Agreements

Senior Executive Service (SES)

All SES employees have remuneration arrangements agreed through an Australian Workplace Agreement (AWA).

Remuneration is determined by the Secretary having regard to individual performance and job requirements and guided by the annual Department of Employment and Workplace Relations SES Remuneration Survey. The Agreements are comprehensive and generally include performance pay, superannuation, executive vehicle, and development provisions.

Non-SES

As at 30 June 2003, there were 59 non-SES staff members on AWAs. Combined with SES staff, this represents a total of 14 per cent of staff on AWAs. The decline from last year's figure (16 per cent as at 30 June 2003) is attributable to staff transfers under Machinery of Government changes and the termination of expired AWAs which had no continuing relevance. In these cases, staff reverted to Certified Agreement provisions. The largest proportion of non-SES AWAs are at the EL2 classification. During the year, 62 per cent of EL2 staff signed onto a new collective AWA program.

Non-SES AWAs rely on the Department's Certified Agreement for general terms and conditions of employment. All non-SES AWAs include access to performance-based payments and can include individual salary or allowance and non-salary items such as information technology packages and enhanced professional development provisions. AWAs are sufficiently flexible to allow the Department to attract, retain and reward staff.

Performance payments

Performance bonus payments are only available to staff covered by AWAs who have access to a scale of payments depending on their performance assessment outcome.

Staff covered by the Department's Certified Agreement continued to have access to at-risk salary increments until 30 June 2003. The at-risk component was offered (under the terms of the Department's 2000–02 Certified Agreement) as an incentive for high performing staff at any non-SES classification. This component was not retained in the 2002–04 Agreement. However, those staff who had qualified for the at-risk component for two successive years under the 2000–02 Agreement had this allowance rolled into their base salary on 1 July 2003.

Key staff development strategies

The Department's emphasis for training and development during the reporting year was on the development and presentation of a comprehensive core training calendar for all staff and tailored Leadership programs for EL2 staff.

Four leadership programs were conducted during the year, with all EL2 staff required to attend. A further leadership development program for EL1 staff is being developed for delivery in 2003–04.

The training and development calendar for 2002–03 included a broad range of courses. These included professional development, career development skills courses and interpersonal skills development, presented as:

- a core skills series concentrating on policy formulation, project management, contract management, corporate governance, economics for non-economists, writing skills and working with others;
- a compulsory skills series concentrating on APS Values and the Code of Conduct, OH&S awareness, security awareness, performance management, workplace diversity, grants management and government accounting; and
- a networking series concentrating on Executive Level and APS Level staff seminars.

A total of 122 courses were run during the year, with 1637 participants. Courses attracting the highest attendance covered a diverse range of topics including risk management, contract management, capitalising on workplace diversity, APS Values and security awareness.

Course evaluations were collected after each program. A total of 89 per cent of staff submitted evaluation forms, of which 75 per cent rated the training programs as very good to excellent.

Workplace diversity

Development of a new Workplace Diversity and Harassment Plan commenced during 2002–03 and is to be finalised in the first quarter of the new financial year.

The Department has a high ratio of female employees (60 per cent) who are well represented at senior levels. A total of 33 per cent of SES employees and 90 per cent of professional employees are female.

Of the 70 per cent of staff who volunteered diversity data, 12 per cent identified themselves as being from diverse cultural and linguistic backgrounds, one per cent as being of Aboriginal and Torres Strait Islander background and one per cent as having a disability.

During the year, the Department engaged an Indigenous cadet with the assistance of the National Indigenous Cadetship Program managed by the Department of Workplace Relations. Full details of workplace diversity statistics can be viewed in Appendix 8—*Staffing Statistics*.



The Department's 2002–03 Graduate Administrative Assistants with the Secretary, Helen Williams.

Management of human resources—ScreenSound Australia

2002–03 was the second year of ScreenSound Australia's Performance Management Scheme and the first year where employees' salary advancement was directly linked to assessment of their performance over the 12 month cycle. Key components of the scheme include Individual Work Plans, Personal Development Plans and a mid-term review of employees' performance. At the end of June 2003, approximately 90 per cent of the mid-term reviews had been completed.

The focus of training during the year was on the development of professional and management skills, particularly at the middle management levels. Employees participated in a number of external programs, including the Australian Public Service Commission's Senior Women in Management Program and the joint collecting institutions' Cultural Management Development and Advanced Workplace Skills Programs. As well as continuing an Indigenous cadetship, ScreenSound Australia also provided a placement for an Indigenous trainee who successfully completed a Business and Administration Certificate in conjunction with the Canberra Institute of Technology.

Negotiations for the 2003–05 Certified Agreement concluded successfully, with 98 per cent of staff who voted endorsing the Agreement. The Agreement, which incorporates a number of new measures designed to improve organisational performance and flexibility, was certified by the Australian Industrial Relations Commission on 6 March 2003.

Management of human resources—Questacon

As part of the Building an Even Better Questacon framework, Questacon continued to refine its People and Business Performance Management scheme and its human resource development plan this reporting period. The performance management scheme articulates Questacon's key organisational values and skills and informs individual work plans and performance indicators which are reviewed every six months. The human resource development plan, known as Developing Q People, comprises individual career development and corporate training and development plans.

Information technology

The Department's Information Technology and Communication services were provided by Telstra Enterprise Services (TES) under the *Group 5 Agreement for IT&T Services and Industry Development*. On 4 June 2002, Telstra announced the planned integration of TES into Telstra. A revised Contract Deed of Performance, which commenced on 20 December 2002, was developed for the Group 5 contract to reflect the changed operational environment and, in particular, to strengthen the confidentiality and security provisions.

The Group 5 Contract with TES expires on 30 June 2004 and the Department has been examining its options in line with current requirements and in the context of the recommendations of the Humphry Review. The outcome of this examination was a decision to market test these services on a 'select sourcing' basis. An open Request for Tender (RFT) for the IT support packages was released on 12 May 2003. A second restricted tender for a Voice Services package was issued on 12 May to signatories of the Whole of Government Telecommunications Agreement (WOGTA) that supply such services. Both RFTs closed on Monday 16 June and evaluation of the tenders is currently underway.

A new departmental website was launched on 15 July 2002 following a protracted development period since 2000. Due to significant increases in the project's budget and delivery timeframe, an internal review of the project completed in October 2001 had highlighted project problems stemming from poor project management and governance arrangements and over ambitious expectations. Revised IT project management arrangements were implemented in March 2002 to ensure that an incident of this nature does not recur.

A new IT Strategic Plan for the period 2003–05 was approved by the EMG in May 2003, with an emphasis on consolidation of services and systems, building on the initiatives of the past three years, and on ensuring the cost-effectiveness and value for money of the Department's information and communication technology processes and investments.

Legal services

During the year, internal legal advice for the Department was provided by the Legal Group and supplemented by advice from external sources, predominantly from the Australian Government Solicitor. The Contracts Unit within the Legal Group provided procedural advice relating to the calling of tenders and contract documents used by the Department and coordinated the Department's reporting on contracts to meet various accountability requirements.

The Legal Group also performed a departmental coordination and liaison role in relation to legislation bids, regulation impact statements, Freedom of Information (FOI) requests and privacy issues. A total of 12 FOI requests were processed by Legal Group during the year.

During the year, the Legal Group assisted in preparing ten Bills which were passed or introduced and 12 Statutory Rules which were made during the year. The Legal Group drafted 13 other statutory instruments.

Major legislation requiring significant input from Legal Group during the year included the following:

Telstra (Transition to Full Private Ownership) Bill 2003

This Bill provides for the sale of the remaining Government shareholding in Telstra.

Telecommunications Competition Act 2002

This Act implements the Government's response to the Productivity Commission's Inquiry Report on Telecommunications Competition Regulation and aims to increase the level of competition and investment in the telecommunications market.

Australian Postal Corporation Amendment Bill 2003

This Bill addresses various regulatory and consumer issues relating to Australia Post.

Communications Legislation Amendment Bill (No. 2) 2002

This Bill aims to enhance the security of Australia's telecommunications services and provides for improved arrangements for call data disclosure and interception services.

Broadcasting Services Amendment (Media Ownership) Bill 2002

This Bill provides for changes to the current restrictions on foreign ownership and cross media interests affecting broadcasting services.

Communications Legislation Amendment Bill (No. 3) 2002

This Bill includes amendments to the digital television regime (including in relation to underserved markets and HDTV quotas).

Australian Film Commission Amendment Act 2003

This Act amended the powers and functions of the Australian Film Commission (AFC) and its CEO to facilitate the transfer of ScreenSound Australia from the Department to the AFC. Instruments made under this Act transferred the relevant ScreenSound Australia assets to the AFC.

Telstra Carrier Charges—Price Control Arrangements, Notification and Disallowance Determination No. 1 of 2002

This instrument imposes price control arrangements in relation to certain Telstra services from 1 July 2002 to 30 June 2005.

Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997 (Amendment No. 4 of 2002)

This instrument establishes the Network Reliability Framework to improve the reliability of Telstra's telephone services.

Australian Competition and Consumer Commission (Accounting Separation—Telstra Corporation Limited) Direction (No. 1) 2003

This instrument seeks to encourage a more transparent market for telecommunications services by requiring enhanced accounting separation of Telstra's wholesale and retail operations.

During the year, the EMG approved revised instructions on obtaining legal advice and other legal services. These identify situations where legal assistance will be required. In addition, general administration of the Chief Executive Instructions (CEIs) was transferred from the Corporate and Business area to Legal Group. Legal Group is managing the process for the review of the CEIs, which is currently underway.

Legal Group also took an active role in the review of the Risk Management and Fraud Control Plans during the year.



Members of the Department's Legal Group. L to R: Kathryn Polkinghorne, Trish Taylor, David Smith, Kerry McCutcheon and Kylie Cooke.

Financial management

As a result of an internal departmental structure change during the year, the Chief Financial Officer (CFO) position now reports directly to the Secretary, further emphasising the importance of financial and budgetary management in the Department. The CFO is a member of the Department's EMG.

The Department has continued to make progress in enhancing its financial and budgetary management practices, processes and procedures during the year.

The primary focus during 2002–03 for the Finance and Budgets Group has been on business improvements. In particular, the focus has been on improved internal reporting which captures monthly information at division and output and outcome level; improved controls and processes including accounts processing; and end of month and year processes including preparation of annual financial statements, which have been recognised by ANAO as a clear improvement. A revision and update of the Department's financial delegations was undertaken during the year to ensure that they continue to meet financial environment changes and internal departmental requirements.

The Department has also incorporated the internal budget into the overall business planning. The development and refinement of the internal monthly reports supplied to the EMG, including the introduction of forecast reporting, has resulted in closer scrutiny of internal budget performance.

Specific in house coordinated departmental training programs have been introduced, which are intended to raise the skills level of departmental staff through improved internal financial and budgetary awareness.

The Department's reporting of special accounts in the Portfolio Budget Statement (PBS) was used by the Department of Finance and Administration in developing enhanced reporting for special accounts in the 2003–04 PBS guidance for agencies.

The Department has been actively working with the Department of Finance and Administration in preparing for the implementation of recommendations resulting from the Budget Estimates and Framework Review.

The Department received an unqualified audit report in respect of its financial statements for the 2001–02 financial year.

The Department's revenue for 2002–03 totalled \$174.499 million. Revenue from Government accounted for 84.91 per cent (\$148.134 million), sales of goods and services accounted for 8.3 per cent (\$14.484 million), other revenue accounted for 6.13 per cent (\$10.713 million), interest accounted for 0.63 per cent (\$1.114 million), and revenue from disposal of assets accounted for remaining 0.03 per cent (\$0.54 million). At the end of 2002–03, the Department recorded a \$9.671 million surplus after taking into account the capital user charge. This surplus is predominantly related to commitments for the following year.

Purchasing

The Department purchasing processes are consistent with the requirements of the Commonwealth Procurement Guidelines issued by the Department of Finance and Administration and amended from time to time. The Department promotes small-to-medium enterprises (SMEs) as well as Australian and New Zealand supplier participation in its procurement practices.

Asset management

Old Parliament House and the National Portrait Gallery

Asset management is integral to the operation of Old Parliament House (OPH) and the National Portrait Gallery (NPG).

Home of the Commonwealth Parliament from 1927 until 1988, OPH is of national historic, social and architectural significance. In recognition of its heritage significance OPH is listed on the Register of the National Estate. The building's net book value is \$32 million, with a replacement cost of \$89 million. OPH houses significant collections of furniture associated with the building and its history and the net book value is \$3.4 million. Most of the collection is housed on-site with those items not currently on display or in use in public areas of the building being kept in standard storage conditions.

The building is conserved in accordance with the OPH Conservation Management Plan 2000. This plan ensures that the heritage values of the building are preserved while the public is also able to access the site. OPH is also being refurbished and maintained in accordance with the long-term Master Building Plan, Fire Safety Strategy and Services Strategies.

The NPG, housed within OPH, currently has a permanent collection with a net book value of \$10.6 million. The collection is housed on-site with those items not currently on display housed in specially controlled climate and humidity storage facilities.

Questacon

As the annual number of visitors to Questacon continues to increase, asset management plays an increasingly vital role within the management of the Centre. Questacon manages an asset base of \$38 million. Lifecycle maintenance cycles are programmed on a 15-year projected cycle with the focus on the current five-year period 2001–06. The ongoing asset replacement plan is reviewed annually to keep pace with technological and environmental advancements as well as the operational requirements of the Centre.

During 2002–03, Questacon embarked on a comprehensive program of visitor facility refurbishments including the toilet facilities and parent rooms. During the year, Questacon leased 2000 square metres of additional workshop and office administration space located in Fyshwick ACT. By moving the Design and Workshop teams to the new leased premises in December 2002, several new function rooms and visitor areas were created as part of a major accommodation project. The need for additional space within the Centre at Parkes for both Questacon visitors and staff places increased pressure on the public areas within the building.

The high number of visitors to Questacon and the increased operational hours of the Centre have resulted in a corresponding increase in the usage rates of the public areas. Facilities management programs have included the recent tendering of facility maintenance services including security, cleaning, building controls and lighting, and heating, ventilation and air conditioning.

As part of Questacon's ongoing commitment to environmental sustainability, and to reduce the effect on the environment as a result of the Centre's operations, Questacon has commenced formulating an Environmental Management System (EMS). The EMS will be to International Quality Standard 14002, in line with the Commonwealth Government's Energy Initiatives.

ScreenSound Australia

ScreenSound Australia, the National Screen and Sound Archive, is custodian of Australia's national audiovisual collection. This collection has more than one million items and as at 30 June 2003 had a value of \$175 million. The collection is housed in specialist climate and humidity controlled storage facilities in Mitchell. Two of these facilities are owned by ScreenSound Australia and two are leased.

ScreenSound Australia monitors the collection continuously in accordance with a collection assessment and monitoring program that is based on externally validated statistical methodology. The results of this monitoring are used to determine asset preservation priorities. ScreenSound Australia's preservation, collections, corporate and public program activities are located in a heritage listed art deco building at Acton, which is open to the public for research, presentations, film screenings and exhibitions.

The land and building are valued at \$29 million and are maintained in accordance with a conservation management plan. This plan ensures that the heritage value of, and public access to, the building are maintained.

Artbank

Artbank's assets are predominantly artworks, consisting of nearly 9000 works valued at \$19.4 million. Artbank operates from leased premises in Rosebery, New South Wales.

As the national art rental scheme, over 60 per cent of Artbank's collection is on display with clients throughout Australia and overseas at Australian Embassies and High Commissions. The Artbank collection is managed through an ongoing conservation strategy.



Members of the Department's Property Services team. Clockwise from back L: John Reardon, Karyn Connell, John deSalis, Ivica Tankovic, Margaret Warren and James Rogers.

Consultants

The Department's policies on selection and engagement of consultants are based on the Commonwealth Procurement Guidelines, the Department's Chief Executive Instructions, and various other Australian Government policies. The Department gives full weight to all Australian Government legislation, policies and guidelines relating to procurement.

The Department's internal policies are flexible, and are based on a relatively decentralised model. Greater responsibility and accountability is achieved by giving project officers responsibility for developing requirements and managing contracts. Important checking and control mechanisms are in place, however, as a senior officer must approve any consultancy contract, and the Legal and Contracts area provides advisory and administrative support to project officers who are involved in contracting.

The Department's selection procedures are based on contract value, market conditions, and the nature of any given requirement. Typically, contracts of any significant value are offered publicly, being advertised in the press, the Commonwealth Electronic Tender system website and/or the Purchasing and Disposals Gazette. Consultancies of a lower value are routinely arranged through restricted tender processes. Where market conditions or other special circumstances make it appropriate, the Department may enter into consultancies without competitive tendering.

Consultants are engaged for a wide variety of purposes in the Department. They are typically engaged to provide complex professional services that the Department does not have the ability to perform in-house. These services include matters such as technical advice, financial advice and specialised information technology services.

For the 2002–03 financial year, the Department administered a total of 124 consultancy contracts incurring a total expenditure for the year of \$9 109 439.80.

A list of all consultancy contracts let to the value of \$10 000 or more (inclusive of GST) is included in this Report at Appendix 3.

Competitive tendering and contracting

In line with the Government's Competitive Tendering and Contracting initiative, contracted service providers deliver a range of Departmental services. The Department's objectives in outsourcing such services comply with the principles specified in the Commonwealth Procurement Guidelines ensuring value for money outcomes, encouraging innovation and improving accountability and performance in the delivery process.

Currently, the Department has in place contracts with:

- The Empower Group to deliver human resource management services including recruitment planning and selection, staff learning and development, performance management and remuneration management. This contract, *Human Resources Outsourcing Agreement between DCITA and The Empower Group Pty Ltd*, runs until 24 September 2004;
- Fujitsu Australia Ltd to redevelop and maintain the Department's website. This contract, *DCITA Website Redevelopment and Facilities Provision*, runs until 29 December 2003;
- Telstra Enterprise Services (formerly Advantra Pty Ltd) to deliver information technology and telecommunications services. This contract, *Group 5 Agreement for IT&T Services and Industry Development*, runs until June 2004; and
- Recall Total Information Management to deliver records management and archiving services. This contract, *Information Management Services for the Ongoing Sentencing, Retention and Disposal of DCITA Portfolio Records*, runs until 31 December 2003.

Appendix 1

Freedom of Information

Freedom of Information

This statement is provided in accordance with Section 8 of the *Freedom of Information Act 1982* (the FOI Act) and is correct as at 30 June 2003.

Section 8 of the FOI Act requires each agency to publish detailed information about the way it is organised, its powers, the kinds of decisions made, arrangements for public involvement in work of the agency, documents held by the agency and how members of the public can access these documents.

Access to records under the FOI Act

The FOI Act extends the right to obtain access to documents in the possession of Commonwealth Government agencies. Under the FOI Act, the Department of Communications, Information Technology and the Arts (DCITA) makes available information about the organisation, its functions and operations, and rules and practices used in making decisions affecting members of the public.

Any member of the public is entitled to apply for access to documents under the FOI Act. In many cases, use of the FOI Act may not be necessary—the information may be readily accessible through the DCITA's website at www.dcita.gov.au or by contacting the Manager of Corporate Communications by telephone on 02 6271 1255.

Decisions on granting access to documents under the FOI Act are generally made by the Departmental Secretary and/or the Senior Executive Service officer responsible for the work area to which the request relates. Access is usually provided in the form of copies of documents and, if necessary, DCITA can provide a reading area for the inspection of documents made available under the FOI Act.

Members of the public seeking access to documents under the FOI Act should make a request in writing to DCITA or the relevant portfolio agency and enclose the fee payable under the regulations in respect of the request. These requests should include your contact details including a telephone number and an address in Australia to which notifications can be posted. DCITA's FOI Coordinator can help with this process and is available by calling 02 6271 1657.

FOI requests for DCITA should be addressed to:

The Secretary
Department of Communications, Information Technology and the Arts
GPO Box 2154
CANBERRA ACT 2601

Attention: Freedom of Information Coordinator

From 1 July 2003, Questacon—the National Science and Technology Centre will become part of the Department of Education, Science and Training. FOI requests relating to Questacon may be addressed to the FOI Coordinator for that Department or to:

National Science and Technology Centre

PO Box E28

KINGSTON ACT 2604

Attention: Freedom of Information Coordinator

From 1 July 2003, ScreenSound Australia—the National Screen and Sound Archive will become part of the Australian Film Commission (AFC). FOI requests can be addressed to the AFC or to:

ScreenSound Australia

GPO Box 2002

CANBERRA ACT 2601

Attention: Freedom of Information Coordinator

The following agencies are part of the Communications, Information Technology and the Arts Portfolio, but are not part of DCITA's functional and organisational structure. If you wish to obtain information or documents from these agencies, please contact them directly—these details are available at Appendix 2.

- Australia Business Arts Foundation Ltd
- Australia Council
- Australian Broadcasting Authority
- Australian Broadcasting Corporation
- Australian Communications Authority
- Australian Film Commission
- Australian Film, Television and Radio School
- Australian National Maritime Museum
- Australian Postal Corporation
- Australian Sports Commission
- Australian Sports Drug Agency
- Bundanon Trust
- Film Australia Limited
- Film Finance Corporation Australia Limited
- National Archives of Australia
- National Office for the Information Economy
- National Gallery of Australia
- National Library of Australia
- National Museum of Australia
- NetAlert

- Special Broadcasting Service Corporation
- Telstra Corporation Limited

Categories of documents

DCITA has extensive documentary holdings. Certain categories of documents are common throughout the Department. These include:

- policy advice and internal administration (financial, staffing, office procedures and similar) documents;
- documents relating to policy and portfolio administration, including reports, briefings, correspondence, minutes, submissions and other documents;
- tender proposals, evaluations and contracts;
- cabinet submissions;
- ministerial briefings;
- records of representations to the Minister and of other applications for advice and assistance;
- reference material used by staff including guidelines and manuals;
- audio and visual recordings—held as part of DCITA's cultural development activities; and
- legal advice and electronic records maintained on departmental databases.

Other records maintained by the Department include material relating to the following.

Cultural matters:

- performing, literary and visual arts;
- science and technology;
- online cultural and heritage services;
- cultural industry development;
- library and information services;
- arts and heritage collection agencies;
- cultural taxation incentives schemes;
- arts education;
- international cultural relations;
- public and educational lending rights;
- Book Industry Assistance Plan;
- cultural access programs (Playing Australia, Festivals Australia, Contemporary Music Touring Program, Visions of Australia and Art Indemnity Australia);
- taxation issues relating to the cultural sector;
- trade issues relating to the cultural sector;
- return of Indigenous cultural property;

- Cultural Ministers Council;
- national cultural organisations;
- use of new media in the cultural and heritage sectors;
- promotion of sponsorship and philanthropy for the arts;
- National Portrait Gallery;
- Old Parliament House;
- the Centenary of Federation in 2001;
- the Acton Peninsula Project;
- Federation Fund Major Projects;
- Federation Community Projects;
- Federation Cultural and Heritage Projects;
- film;
- film agencies;
- sports statistics;
- Recreation and Sport Industry Statistical Group;
- national recreation safety organisations;
- national anti-doping policy;
- national anti-doping programs;
- international anti doping forums;
- Commonwealth Games;
- Olympic Games;
- public liability insurance;
- sports participation;
- sport and leisure industry;
- Sport and Recreation Ministers Council;
- Standing Committee on Recreation and Sport;
- Australian Sports Commission; and
- Australian Sports Drug Agency.

Telecommunications:

- telecommunications policy, legislation and regulation;
- postal policy, legislation and regulation;
- international communications—bilateral and multilateral arrangements including Universal Postal Union and Asian-Pacific Postal Union;
- National Relay Service;

- communications standards arrangements;
- maintaining international linkages and institutional frameworks through ITU, APEC, WTO and other relevant multilateral fora;
- Telstra and Australia Post—corporate accountability;
- Telecommunications Service Inquiry Implementation;
- Telecommunications Action Plan for Remote Indigenous Communities;
- Consumer Representation and Research Grants Program;
- Bilateral trade and cooperation including free trade negotiations; and
- Regional Telecommunications Inquiry.

Information and Communications Technology (ICT) Industry and Intellectual Property:

- ICT industry development policy, including ICT Framework for the Future initiative;
- ICT industry development programs;
- ICT industry development aspects of government procurement;
- ICT Centre of Excellence;
- ICT industry development programs;
- ICT industry development aspects of government procurement;
- Networking the Nation Program, (including 'Social Bonus' Program);
- Untimed Local Calls in Extended Zones Agreement in association with the Australian Communications Authority—manage implementation of contract awarded to Telstra;
- Mobile Phones along Highways Agreement—manage implementation of contract awarded to Vodafone;
- Regional Telecommunications Infrastructure Fund;
- National Communications Fund;
- Intellectual Property policy; and
- Commonwealth Copyright Administration.

Broadcasting:

- commercial and satellite broadcasting;
- community broadcasting;
- national broadcasting;
- broadcasting technology;
- international communications – bilateral and multilateral arrangements including Intelsat, Inmarsat;
- television and radio, including digital conversion, pay television, subscription and narrowcasting services;
- radiocommunications policy, legislation and regulation;

- online content policy and legislation, including online gambling regulation;
- Television Fund, including Television Black Spots Program;
- Television Black Spots—Alternative Technical Solutions Program; and
- Commercial Radio Black Spots Program.

Legal:

- legal advice, instructions to solicitors and Counsel concerning matters before courts and tribunals;
- Freedom of Information requests;
- Ombudsman complaints;
- privacy complaints; and
- documents relating to the drafting of contracts and information management.

Corporate and Business:

- personnel matters;
- staff manuals and investigation reports; and
- other corporate support services.

Finance and Budgets:

- budget management

Manuals

In accordance with section 9 of the FOI Act, a list has been compiled of unpublished manuals and other documents used by departmental staff as a guide to procedures and practices to be followed when dealing with the public. The list is correct as at 30 June 2003 and is available on request from the FOI Coordinator or any office of the National Archives of Australia.

Organisation and functions

Information about the organisation and functions of the Department is contained in the Overview and Management and Accountability sections of this Report.

Decision-making powers of DCITA affecting members of the public

Decision-making powers of the Department and/or the Minister, which may affect members of the public, are exercised under or in relation to the following Acts or regulations or other instruments made under those Acts:

- *Appropriation (Supplementary Measures) Act (No. 1) 1999*;
- *Archives Act 1983*;
- *Australian Broadcasting Corporation Act 1983*;
- *Australian Communications Authority Act 1997*;
- *Australia Council Act 1975*;
- *Australian Film Commission Act 1975*;

- *Australian Film, Television and Radio School Act 1973*;
- *Australian National Maritime Museum Act 1990*;
- *Australian Postal Corporation Act 1989*;
- *Australian Sports Commission Act 1989*;
- *Australian Sports Drug Agency Act 1990*;
- *Broadcasting Services Act 1992*;
- *Copyright Act 1968*;
- *Datacasting Charge Imposition Act 1998*;
- *Film Licensed Investment Company Act 1998*;
- *Financial Management and Accountability Act 1997*;
- *Income Tax Assessment Act 1936*—Divisions 10B and 10BA of Part III for certification of Australian films for tax concessions;
- *Income Tax Assessment Act 1997*—section 30-210 for the approval of valuers for the Cultural Gifts Program; subsection 30-305(2) in Division 30 for the approval of cultural organisations for the Register of Cultural Organisations; and Division 376 for the certification of films for eligibility for the refundable tax offset for film production in Australia;
- *Migration Regulations 1994*, Schedule 2—in respect of the entry of foreign actors to Australia;
- *National Gallery Act 1975*;
- *National Library of Australia Act 1960*;
- *National Museum of Australia Act 1980*;
- *National Transmission Network Sale Act 1998*;
- *NRS Levy Imposition Act 1998*;
- *Public Lending Right Act 1985*;
- *Public Service Act 1999*;
- *Radiocommunications Act 1992*;
- *Radiocommunications (Receiver Licence Tax) Act 1983*;
- *Radiocommunications (Spectrum Licence Tax) Act 1997*;
- *Radiocommunications Taxes Collection Act 1983*;
- *Radiocommunications (Transitional Provisions and Consequential Amendments) Act 1992*;
- *Radiocommunications (Transmitter Licence Tax) Act 1983*;
- *Radio Licence Fees Act 1964*;
- *Special Broadcasting Service Act 1991*;
- *Telecommunications Act 1997*;
- *Telecommunications (Carrier Licence Charges) Act 1997*;
- *Telecommunications (Consumer Protection and Service Standards) Act 1999*;

- *Telecommunications (Numbering Charges) Act 1997;*
- *Telecommunications (Transitional Provisions and Consequential Amendments) Act 1997;*
- *Telecommunications (Universal Service Levy) Act 1997;*
- *Television Licence Fees Act 1964;*
- *Telstra Corporation Act 1991; and*
- *Trade Practices Act 1974, Parts XIB and XIC.*

Arrangements for outside participation and public involvement

The Department is open to the views of outside organisations and provides opportunities for members of the community to contribute to developing aspects of Australia's communications, information technology, arts and sports sectors.

DCITA has an ongoing involvement with the following bodies:

Australia Business Arts Foundation

The Australia Business Arts Foundation is a wholly owned Commonwealth company limited by guarantee. Established in 1994, the Foundation's primary purpose is to increase private sector support for Australian arts and culture.

Committee on Taxation Incentives for the Arts

This Committee was established to oversee the operation of the Cultural Gifts Program, which offers tax incentives for donations of cultural heritage items to public museums, art galleries and libraries and the former supplementary Cultural Bequests Program.

The Committee's principal role is to assess the acceptability of the valuations of gifts under the program and to make recommendations on the appointment of valuers.

Committee members are appointed on the basis of their expertise in cultural heritage matters, with a view to covering the full range of cultural heritage material and achieving representation from both the commercial and institutional sectors. The Australian Taxation Office provides a representative on the committee.

Community Broadcasting Foundation

The Community Broadcasting Foundation is an independent body, established to distribute funds to the community broadcasting sector. The Board of the Foundation is appointed by members of the community broadcasting sector and is structured to represent both community and special interest licensees and aspirant groups. A senior officer of DCITA is also on the Board.

Contemporary Music Touring Program Committee

The Contemporary Music Touring Program Committee advises the Minister for the Arts and Sport on the allocation of funds under the Australian Government's Contemporary Music Touring Program. The program is designed to develop viable touring opportunities for professional Australian musicians and increase audience access to Australian contemporary music performances across a range of music genres. Appointments to the five-member Committee are based on experience and expertise in the Australian music industry.

Cultural Ministers Council

The Cultural Ministers Council (CMC) was established in 1984–85 by agreement between the Prime Minister, the Premiers and the Chief Ministers' of the Northern Territory and the Australian Capital Territory. In 1991, New Zealand became a full member of the CMC in lieu of its previous status as an observer. The CMC is the Ministerial forum for exchanging views on issues affecting cultural activities in Australia and New Zealand and the basis for cooperative effort to cultural benefit to citizens of Australian States and Territories and New Zealand.

The CMC consists of the Ministers responsible for cultural activities in the Australian Government, the States and Territories and New Zealand. The relevant ministers from Papua New Guinea and a representative from Local Government are invited to attend meetings with observer status. The Department is represented on the Standing Committee of the Cultural Ministers Council.

The Department administers two programs on behalf of CMC:

- the Return of Indigenous Cultural Property Program supports the repatriation of ancestral remains and secret sacred objects from major Australian and State Government Museums to Australian Indigenous communities; and
- the National Collections Advisory Forum provides high level strategic advice to Ministers on issues of common concern to the collections sector.

Festivals Australia Committee

The Festivals Australia Committee advises the Minister for the Arts and Sport on the allocation of funds available under the Australian Government's cultural grants program, Festivals Australia. The program provides assistance to regional and community Australian festivals for the presentation of quality cultural activities, which add to the festivals' cultural program or enhance the projection of the local communities' cultural image. Committee members are appointed on the basis of their expertise in the area of festival presentation with a view to achieving representation from both the commercial and institutional sectors.

Film Certification Advisory Board

The Board provides advice to the Minister for the Arts and Sport on certificates of eligibility for the refundable film tax offset program, and advises the Minister in relation to any policy issues relevant to the film tax offset scheme, including administrative processes for the scheme. The Minister for the Arts and Sport appoints film industry representatives to the Board as part-time members on the basis of experience and expertise in feature film production. The Chair of the Board is a Senior Executive Service employee of the Department nominated by the Secretary.

Game Plan Implementation Committee

The Game Plan Implementation Committee was formed in 2001 to oversee initial implementation of the Sport and Leisure Industry Strategic National Plan—Game Plan 2006. The term of the Committee expired on 31 December 2002. The Committee provided strategic guidance to capitalise on Australia's reputation as a sporting nation and achieve the long-term vision of Australian sport and leisure businesses regarded as world-class providers of goods and services.

The Department was represented on the Committee together with a representative of the Australian Sports Commission, the Victorian Department of Sport and Recreation, a representative of the Standing Committee on Recreation and Sport and two members with stakeholder interests.

Internet Assistance Program Advisory Panel

The Internet Assistance Program (IAP) was established to help dial-up Internet users obtain a minimum Internet throughput speed equivalent to 19.2kbps. The IAP Advisory Panel was established to independently monitor the IAP, report and provide feedback to the Minister on the overall effectiveness of the Program. Panel Members have been drawn from sectors with a particular interest in the delivery of effective Internet services and the needs of regional and rural Australia.

Media and Communications Council

The Media and Communications Council (MACC) is an informal body made up of representatives of public interest groups, trade unions and consumer organisations with an interest in broadcasting issues. It seeks to promote information flow to the public, and public participation in the decision-making processes affecting broadcasting. Present membership of the MACC includes the Communications Law Centre; the Media, Entertainment and the Arts Alliance; the Australian Caption Centre; the Community and Public Sector Union; the Australian Writers Guild; and the Australian Federation of Consumer Organisations. DCITA meets with MACC twice a year.

Online Council

The Online Council is chaired by the Minister for Communications, Information Technology and the Arts. Its members include senior Ministers from State and Territory jurisdictions and a representative from Local Government. The Council meets periodically to discuss policy issues related to telecommunications and the information economy. Secretariat support is provided by the National Office for the Information Economy.

Playing Australia Committee

The Playing Australia Committee advises the Minister for the Arts and Sport on the allocation of funds available under the Australian Government's cultural grants program, Playing Australia, which provides assistance for touring performing arts where this is not commercially viable and there is a demonstrated demand. Committee members are appointed on the basis of their expertise in the area of performing arts touring with a view to achieving representation from both the commercial and institutional sectors.

Public Lending Right Committee

The Public Lending Right (PLR) Committee, appointed by the Minister for the Arts and Sport in accordance with the *Public Lending Right Act 1985*, determines eligibility, approves payments and provides advice and recommendations to the Minister about the operation of the Act or the Public Lending Right Scheme. Committee members comprise representatives from the writing, publishing and library communities. The PLR Committee also provides advice to the Minister on administration and operational matters relating to the new Educational Lending Right Scheme.

Sport and Recreation Ministers Council

The Sport and Recreation Ministers Council (SRMC) was established in 1973 to provide the major mechanism for consultation and cooperation between the Australian, State and Territory Governments. Membership of the SRMC is comprised of the Australian Government Minister for the Arts and Sport, State and Territory Ministers with responsibility for sport and recreation matters, the New Zealand Minister responsible for sport and recreation matters, and the Papua New Guinea Minister responsible for sport and recreation matters. The SRMC meets annually. DCITA is represented on the Standing Committee on Recreation and Sport (SCORS) which supports the SRMC.

Standing Committee on Recreation and Sport

SCORS is a meeting of officials, which supports the SRMC. Membership is comprised of a representative from both DCITA and the Australian Sports Commission. Each State and Territory department/agency with responsibility for sport and recreation matters is also represented. New Zealand and Papua New Guinea also have a representative on the Committee.

Visions of Australia Committee

The Visions of Australia Committee advises the Minister for the Arts and Sport on the allocation and future directions of touring and development of grants for national touring cultural exhibitions under the Australian Government's Visions of Australia Program. Committee members are appointed on the basis of their expertise in the touring of cultural exhibitions with a view to achieving representation from both the commercial and institutional sectors.

Networking the Nation Board

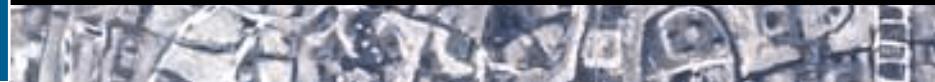
The Networking the Nation (NTN) Board, appointed by Cabinet, assesses applications for funding under the NTN and Social Bonus Programs, approving payments to successful applicants. The Board members bring expertise on the telecommunications needs of regional, rural and remote communities.

The Low Income Measures Assessment Committee

The Low Income Measures Assessment Committee (LIMAC) was established by Telstra pursuant to its carrier licence conditions. It is largely comprised of representatives from welfare organisations. Among other functions, LIMAC must report annually to the Minister for Communications, Information Technology and the Arts on the effectiveness of Telstra's products for low-income consumers.

Appendix 2

Contact details for the Department
and portfolio agencies



Contact details for the Department and portfolio agencies

Department of Communications, Information Technology and the Arts

38 Sydney Avenue
Forrest ACT 2603
GPO Box 2154
Canberra ACT 2601
Phone 02 6271 1000
Fax 02 6271 1800
Teletypewriter only 02 6271 1120
Email: dcita.mail@dcita.gov.au
Website www.dcita.gov.au
Secretary: Ms Helen Williams AO

Artbank

50C Rosebery Avenue
Rosebery NSW 2018
Phone 02 9662 8011
Fax 02 9662 2563
Website www.artbank.gov.au
Chair: Professor Ted Snell
Director: Ms Antonia Syme

Old Parliament House and the National Portrait Gallery

King George Terrace
Parkes ACT 2600
GPO Box 2154
Canberra ACT 2601
Phone 02 6270 8222
Fax 02 6270 8111
Website (OPH) www.oph.gov.au
Website (NPG) www.portrait.gov.au
Chair (OPH): Rt Hon. JD Anthony AC CH

A/g General Manager (OPH):
Mr Mike Perryman
Chairperson (NPG): Mrs Marilyn Darling
Director (NPG): Mr Andrew Sayers

Questacon—the National Science and Technology Centre

King Edward Terrace
Parkes ACT 2600
PO Box E28
Kingston ACT 2604
Phone 02 6270 2800
Fax 02 6273 4346
Website www.questacon.edu.au
Chair: The Hon. Robert Webster
Director: Prof Graham Durant

ScreenSound Australia—the National Screen and Sound Archive

McCoy Circuit
Acton ACT 2600
GPO Box 2002
Canberra ACT 2601
Phone 02 6248 2000
Fax 02 6248 2222 or 6248 2165
Website www.screensound.gov.au
Chair: Ms Susan Oliver
A/g Director: Ms Mary Durkin

Portfolio agencies

Australia Business Arts Foundation Limited

Level 2, 405 Collins St
Melbourne Victoria 3000
Phone 03 9616 0300
Fax 03 9614 2550
Website www.abaf.org.au
Chair: Mr James Strong
Executive Director: Ms Winsome McCaughey

Australia Council for the Arts

372 Elizabeth Street
Surry Hills NSW 2010
PO Box 788
Strawberry Hills NSW 2012
Phone 1800 226 912
Fax 02 9215 9111
Website www.ozco.gov.au
Chair: Mr David Gonski AO
CEO: Ms Jennifer Bott

Australia Post

GPO Box 1777Q
Melbourne Victoria 3001
Phone 03 9204 7171
Fax 03 9204 7478
Website www.auspost.com.au
Chair: Ms Linda Nicholls
Managing Director: Mr Graeme John

Australian Broadcasting Authority

Level 15, Darling Park
201 Sussex Street
Sydney NSW 2000
PO Box Q500
Queen Victoria Building
Sydney NSW 1230
Phone 02 9334 7700
Fax 02 9334 7799
Website www.aba.gov.au
Chair: Professor David Flint AM
General Manager: Mr Giles Tanner

Australian Broadcasting Corporation

GPO Box 9994
Sydney NSW 2001
Phone 02 8333 1500
Fax 02 8333 5305
Website www.abc.net.au
Chair: Mr Donald McDonald AO
Managing Director: Mr Russell Balding

Australian Communications Authority

Purple Building, Benjamin Offices
Chan Street
Belconnen ACT 2617
PO Box 78
Belconnen ACT 2616
Phone 02 6219 5555
Fax 02 6219 5200
Website www.aca.gov.au
Chair: Mr Tony Shaw PSM

Australian Film Commission

GPO Box 3984
Sydney NSW 2001
Phone 02 9321 6444
Fax 02 9357 3737
Website www AFC.gov.au
Chair: Ms Maureen Barron
CEO: Mr Kim Dalton

Australian Film, Television and Radio School

Cnr Epping and Balaclava Roads
North Ryde NSW 2113
PO Box 126
North Ryde NSW 1670
Phone 02 9805 6611
Fax 02 9887 1030
Website www.aftrs.edu.au
Chair: Mr Danny Gilbert
Director: Mr Malcolm Long

Australian National Maritime Museum

2 Murray Street
Darling Harbour
Sydney NSW 2000
GPO Box 5131
Sydney NSW 2001
Phone 02 9298 3777
Fax 02 92983780
Website www.anmm.gov.au
Chair: Mr Mark Bethwaite
Director: Ms Mary-Louise Williams

Australian Sports Commission

Leverrier Crescent
Bruce ACT 2617
PO Box 176
Belconnen ACT 2616
Phone: 0 2 6214 1111
Fax 02 6251 2680
Website www.ausport.gov.au
Chair: Mr Peter Bartels
CEO: Mr Mark Peters

Australian Sports Drug Agency

1 Phipps Close
Deakin ACT 2600
PO Box 345
Curtin ACT 2605
Phone 02 6206 0200
Fax 02 6206 0201
Website www.asda.org.au
Chair: Dr Brian Sando
CEO: Mr John Mendoza

Bundanon Trust

PO Box 3343
North Nowra NSW 2541
Phone 02 4423 5999
Fax 02 4422 7190
Website www.bundanon.com.au
Chair: Hon Warwick Smith

Film Australia Limited

101 Eton Road
Lindfield NSW 2070
PO Box 46
Lindfield NSW 2070
Phone 02 9413 8777
Fax 02 9416 5672
Website www.filmaust.com.au
Chair: Mr Robert Fisher
CEO: Ms Sharon Connolly

Film Finance Corporation Australia Limited

Level 12, 130 Elizabeth St
Sydney NSW 2000
GPO Box 3886
Sydney NSW 2001
Phone 02 9268 2555
Fax 02 9264 8551
Website wwwffc.gov.au
Toll Free 1800 251 061
Chair: Mr Geoff Levy
CEO: Mr Brian Rosen

National Archives of Australia

East Block
Queen Victoria Terrace
Parkes ACT 2600
PO Box 7425
Canberra Business Centre
ACT 2610
Phone 02 6212 3600
Fax 02 6212 3699
Website www.naa.gov.au
Chair: Hon James Carlton AO
Director General: Mr Ross Gibbs

National Gallery of Australia

Parkes Place
Parkes ACT 2600
GPO Box 150
Canberra ACT 2601
Phone 02 6240 6411
Fax 02 6240 6529
Website www.nga.gov.au
Chair: Mr Harold Mitchell
Director: Dr Brian Kennedy

National Library of Australia

Parkes Place
Canberra ACT 2600
Phone 02 6262 1111
Fax 02 6273 7103
Website www.nla.gov.au
Chair: Sir James Gobbo AC
Director General: Ms Jan Fullerton

National Museum of Australia

Lawson Crescent
Acton Peninsula
Canberra ACT 2600
GPO Box 1901
Canberra ACT 2601
Phone 02 6208 5000
Fax 02 6208 5099
Website www.nma.gov.au
Chair: The Hon Tony Staley
Director: Ms Dawn Casey

National Office for the Information Economy

Burns Centre
28 National Circuit
Forrest ACT 2603
GPO Box 390
Canberra ACT 2601
Phone 02 6271 1666
Fax 02 6271 1609
Website www.noie.gov.au
CEO: Mr John Rimmer

NetAlert Limited

Level 4, 27 Elizabeth Street
Hobart TAS 7000
GPO Box 1774
Hobart TAS 7001
Phone 03 6234 3312
Fax 03 6234 1430
Website www.netalert.net.au
Chair: Ms Karyn Hart
Executive Director: Mr Alan Tayt

Special Broadcasting Service

14 Herbert Street
Artarmon NSW 2065
Locked Bag 028
Crows Nest NSW 1585
Phone 02 9430 2828
Toll Free 1800 500 727
Fax 02 9430 3700
Website www.sbs.com.au
Chair: Ms Carla Zampatti
Managing Director: Mr Nigel Milan

Telstra

Telecom Centre
242 Exhibition Street
Melbourne Victoria 3000
Phone 1300 368 387
Fax 03 9634 3958
Website www.telstra.com.au
Chair: Mr Bob Mansfield
CEO: Dr Ziggy Switkowski

Appendix 3

Consultancy services



Consultancy services

The Department's policies relating to consultants are outlined in the *Management and Accountability* section of this Annual Report (see page 109).

For the 2002–03 financial year, the Department administered a total of 124 consultancy contracts incurring a total expenditure for the year of \$6 454 138.

Typical reasons for engaging consultancy services include a requirement for specialist expertise not available within the department or where an independent assessment is considered desirable. The selection process may involve, for example, public tender, selective tender, or direct engagement of:

- a recognised and pre-eminent expert, a consultant who had previously undertaken closely related work for the department; or
- a consultant known to have the requisite skills where the value of the project did not justify the expense or delay associated with seeking tenders.

The consultancy list provided on the Department's website www.dcita.gov.au contains details of every consultancy let by the Department to the value of \$10 000 or more, including the commissioning value for each contract. Also included are details of actual expenditure on particular consultants in excess of \$10 000, where there was no fixed price contract.

Appendix 4

Occupational health and safety



Occupational health and safety

The Department has a number of procedures and programs in place to facilitate the occupational health and safety (OH&S) of its workplace.

Key activities in this area during the year were:

- the re-establishment of an OH&S committee, which met on eight occasions during the year;
- development of a new OH&S Agreement between the Department and the Community and Public Sector Union; and
- the conduct of a Safety Audit at the Department's premises at Forrest in May 2003.

The safety audit, conducted by the National Safety Council of Australia (NSCA), noted that the overall safety standards were good and commended the dedication and commitment of the Health and Safety Representatives. The audit did identify a number of areas for minor improvement including housekeeping, workplace environment, first aid, electrical hazards and fire control. The recommendations are being addressed by the Department as a matter of priority and action is being monitored by the OH&S Committee.

One of the pre-conditional components of the 2003 base salary increase under the Certified Agreement was a demonstrable increase in the level of reporting of minor incidents, such as slips or trips, and identification of potential hazards in the workplace. During the year, a total of 20 incidents were reported, which has enabled the Department to promptly investigate and rectify potential hazards, thereby improving the safety of the workplace for all staff.

The Department is considering implementation of an annual Health Week aimed at increasing staff awareness of preventable health issues and encouraging participation in a range of sponsored activities designed to provide participating staff with an enhanced appreciation of the linkages between health and quality of life. It is proposed that the first event will be held in the second half of 2003.

Other significant initiatives include:

- OH&S representatives and First Aid Officers are available in all DCITA locations;
- OH&S training sessions were provided to ensure the Health and Safety Representatives are sufficiently skilled and knowledgeable about the principles and practices of OH&S;
- SRC Solutions are engaged to manage issues such as return to work, rehabilitation and workstation assessments for the Department; and

- all departmental staff have access to a contracted Employee Assistance Program Provider. This service can be accessed free of charge to the staff member, to deal with any issues that disrupt their life at work and/or home.

There were no incidents that required giving notice under Section 68 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991* this reporting period, nor were any investigations conducted.

ScreenSound Australia

The close attention given to OH&S matters by management and staff was reflected in ScreenSound Australia's Comcare Premium reducing from \$209 664 in 2001–02 to \$129 560 for 2002–03. There were four active compensable claims being managed with three staff members working full hours and one on a graduated return to work program.

OH&S information sessions were conducted during the year on risk awareness, manual handling and OH&S awareness. As part of a proactive approach to OH&S responsibilities, ScreenSound Australia arranged for its external provider to conduct 37 workplace assessments for individual employees, most of whom had recently joined the organisation.

A number of activities were undertaken as part of ScreenSound Australia's Employee Health Program, a commitment in the 2003–05 Certified Agreement. Employees were offered free on-site influenza vaccinations, with 39 staff taking up the offer. A survey will be undertaken in 2003–04 to gauge the results of the vaccination program.

In addition, another successful Health Week was conducted in December 2002 incorporating a wide range of information and activity sessions. The program resulted in cost neutral physical health initiatives for staff.

Employees were also able to access a professional, confidential counselling service under ScreenSound Australia's Employee Assistance Program. Despite a number of changes in the workplace resulting from reallocation of resources, general statistical information supplied by the service provider showed reduced usage of the Program and a relatively high proportion of cases relating to personal rather than work issues.

There were no accidents or incidents reported to Comcare under sections 68 and 69 of the *Occupational Health and Safety (Commonwealth Employees) Act 1991* and no provisional improvement notices issued.

Questacon—The National Science and Technology Centre

Questacon is committed to providing a safe and healthy environment for employees, contractors and visitors. It is committed to the continuation and improvement of its good record for OH&S and for the care it exercises in relation to visitor safety and wellbeing.

Questacon's OH&S Committee includes management representatives, representatives of designated work groups and union representatives. The Committee meets every six weeks to review progress and to address new issues. OH&S representatives attended refresher training during the year to update understanding of their responsibilities under current legislation.



The Centre held a Health Week focusing on physical and mental health from 26 May to 6 June 2003. Guest speakers presented information on a range of topics. The ten activities held during Health Week attracted 325 participants. An assessment of the program is in progress.

During the year, there were no accidents or incidents reported under sections 68 and 69 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*, and no provisional improvement notices were issued. Staff reported 67 minor accidents or near misses, with 11 resulting in compensation claims. A total of 165 minor accidents or near misses involving members of the public were reported, with three accidents being reported to Comcover and one of these being settled. Questacon has strict reporting requirements in relation to accidents. Investigations were processed in a timely manner, resulting in quick resolutions.

Appendix 5

Advertising and market research



Advertising and market research

In accordance with Section 311A of the *Commonwealth Electoral Act 1918*, following is a list of organisations contracted by the Department to provide advertising and market research services. The list includes payments of \$1500 or more.

The total payment by the Department to advertising and market research organisations this financial year was \$1 044 215, comprised of:

- Market research \$27 796
- Direct mail \$19 550
- Media advertising \$996 869

Market research organisations

Outcome 1: Arts and Sport

Output 1.3: Old Parliament House and National Portrait Gallery

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1500 or more (rounded up to the nearest dollar)
Environmetrics	Analysis of survey data—OPH visitor and café surveys	\$11,046
Shaaron Glynn	Exit surveys at café and front entrance	\$5,500
Beckman & Associates	Forward evaluation of proposed exhibition topics	\$6,250
TOTAL		\$22,796

Direct mail

Corporate and Business

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1500 or more (rounded up to the nearest dollar)
Canberra Mailing	Distribution of <i>Artbeat</i> magazine—Winter 2002 and Summer 2003 issues.	\$14,915
Canberra Mailing	Distribution of <i>Data</i> magazine—November 2002 and May 2003 issues.	\$4,635
TOTAL		\$19,550

Media advertising organisations

Outcome 1: Arts and sport

Output 1.1: Arts and Sport

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
AVANT Card	The national distribution of promotional postcards	\$21,852
Brandmedia	Advertising in <i>CA Charter</i> magazine	\$4,818
CPA Australia	Advertising in <i>Australian CPA</i> magazine	\$13,662
ETN Communications	Article in ABIE/FPA CD-ROM	\$5,280
Gadfly Media	Advertising in <i>Australian Art Collector</i>	\$3,924
Good Reading Magazine Pty Ltd	Advertising in <i>Good Reading</i>	\$4,719
HMA Blaze	Various newspaper advertisements for the National Museum of Australia Review	\$8,680
HMA Blaze	Advertising tender for a consultancy to conduct a feasibility study for the National Collections Advisory Forum	\$3,007
HMA Blaze	Advertising for recruitment	\$3,821
Institute of Chartered Accountants in Australia	Advertising in <i>CA Charter</i> magazine	\$2,409
National Library of Australia	Advertising in <i>NLA</i> newsletter	\$2,314
Starcom Worldwide	Various newspaper advertisements for a number of the Department's cultural programs, including: Promotion of the Culture and Recreation Portal, OzeCulture grants Program and Conference, the Public Lending Right and Educational Lending Right schemes and the national touring programs—Playing Australia, Visions of Australia, Contemporary Music Touring Program and Festivals Australia.	\$41,085
Starcom Worldwide	Advertising for recruitment	\$25,941
Starcom Worldwide	Advertising for tenders to undertake a consultancy to assist in the recruitment of the Directors of Questacon and National Archives of Australia and for Australian Museums On Line (AMOL) website	\$6,828
State of the Art Publications	Advertising in <i>State of the Arts</i> magazine	\$11,880
10PM Print Management	Advertising in <i>Look</i> magazine	\$1,810
TOTAL		\$162,030

Output 1.1: Artbank

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
Architecture Media	Advertising in <i>Architecture Media</i> magazine	\$21,780
Australian Institute of Banking and Finance	Advertising (loose insert) in the <i>Journal of Banking and Financial Services</i> magazine (Victorian members)	\$2,178
HMA Blaze Pty Ltd	Advertisement in the <i>West Australian</i> newspaper	\$2,048
Law Institute of Victoria	Advertising (loose insert) in the <i>Journal of the Law Institute of Victoria</i>	\$1,980
Nuance Multimedia	Advertising in <i>Gallery</i> magazine	\$1,738
Pacific Publications	Advertisement in <i>Monument</i> magazine	\$3,080
TOTAL		\$32,804

Output 1.3 Old Parliament House and National Portrait Gallery

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
10pm Print	Look magazine advertising	\$2,332
Adcorp. Green	Specialist advertising (promotion for OPH Open Day)	\$4,375
Adcorp. Green	Specialist advertising (TV advertising for OPH Garden Festival)	\$5,500
Adcorp. Green	Specialist advertising (TV advertising for <i>Pickering and Pryor</i> exhibition)	\$32,370
<i>Art and Australia</i>	Advertisement, <i>Art and Australia</i> magazine	\$1,632
Australian Art Collector	NPG magazine advertising	\$2,090
Avant Cards	Promotional postcard advertising	\$7,761
Canberra FM Radio Pty Ltd	Radio advertising	\$3,222
Canberra Tourism and Event Corporation (CTEC)	Joint tourism award promotion	\$12,100
CTEC	Contribution to ACT Tourism <i>Bushfire Recovery</i> advertising	\$5,500
CTEC	<i>Floriade Highlights</i> advertising	\$2,750
CTEC	Canberra Visitors' Centre advertising	\$3,465
Capital Magazine	OPH /NPG Advertising in <i>Capital</i> magazine	\$2,112
Craft Arts	NPG magazine advertising	\$1,540
Drake Advertising	Bus advertising	\$16,207
FPC Magazines	Specialist media advertising (OPH Garden Festival in <i>Gardening Australia</i>)	\$3,135
HMA Blaze	Newspaper advertising for OPH and NPG (including <i>The Canberra Times</i> 'Panorama' ads, interstate advertising, summer advertising campaign and museum theatre advertising)	\$80,855
Rural Press	Advertising in Rural Press publications	\$6,468
Starcom Worldwide	Newspaper advertising for OPH and NPG (including <i>The Canberra Times</i> 'Panorama' ads and interstate advertising)	\$75,716
TW Media	Specialist Media Advertising for OPH & NPG (including <i>This Week in Canberra</i>)	\$6,880
Val Morgan	Cinema Advertising	\$18,850
WIN Television	NPG exhibitions television advertising	\$2,611
TOTAL		\$297,471

Outcome 2: Communications

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
Executive Media	Advertising of New Connections website in 2003 <i>Australian Local Government Association Yearbook</i>	\$1,995
HMA Blaze	Newspaper advertising for call for applications for funding for consumer representation activities in the telecommunications sector	\$8,501
HMA Blaze	Advertising in print media, Request for Tender – Consultancy for the Review of Issues Related to Commonwealth Interactive Gambling Regulation	\$6,148
HMA Blaze	Advertising for recruitment	\$2,876
Starcom Worldwide	Advertising in print media, calling for submissions to the Regional Telecommunications Inquiry	\$40,160

Starcom Worldwide	Advertising in print media, Request for Tender — Consultancy Panel to perform Digital Signal Input Testing under a Standing Offer Arrangement — Technical Consultancies for the Review of the Operation of Schedule 5 to the Broadcasting	\$7,999
Starcom Worldwide	Advertising in print media, Request for Tender — TAPRIC Feasibility study — TAPRIC Mobile Telecommunications Education and Training Service — TAPRIC Multimedia Language Resources and Online Content	\$16,829
Starcom Worldwide	Advertising in print media, applications for consumer research grants under s593 of the <i>Telecommunications Act 1997</i>	\$9,724
Starcom Worldwide	Advertising in print media, Request for Tender—BITS Incubator pilot evaluation	\$1,648
Starcom Worldwide	Advertising for recruitment	\$44,083
Starcom Worldwide	Advertising in print media, National Relay Service Evaluation	\$2,905
TOTAL		\$142,868

Outcome 3: Questacon—The National Science and Technology Centre

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
AAA Tourism	1/3 share of advertising 3-in-1 ticket with the Australian Institute of Sport and Cockington Green	\$1,779
Accommodation Compendiums	Advertisement in accommodation publications	\$3,264
Around Canberra magazine	6 x full page advertisements	\$3,000
Australian Science Festival	Advertising in the 2002 Science Festival program	\$2,697
Canberra Convention Bureau	Meeting and Incentive Planners Publication	\$2,900
Canberra FM	General radio advertising on MIX 106.3 and FM 104.7	\$28,413
Canberra Tourism and Events Corporation	Advertising in season publications, and the 5 star campaign for the winners of the Tourism Awards	\$11,000
DCITA	Reimbursement recruitment expenses for Director (Invoice No 8005405)	\$8,548
Federal Capital Press	Advertising in <i>The Canberra Times</i> , and the Floriade program	\$2,929
Holiday Happenings	School holiday publication advertising 4 times a year	\$1,700
Prime Television	General branding promotion	\$35,636
Public Service Commission	Gazette recruitment advertising costs	\$3,535
Regional Publications	Advertisement in regional press, e.g. Rural Press supplements	\$8,558
Starcom Worldwide	Tender advertisement— <i>Eaten Alive</i> Animatronics	\$3,318
This Week in Canberra	Monthly 1/4 page advertisement	\$3,873
WIN Television	Weekly television advertisements for general branding	\$72,472
Yellow Pages	Advertisements in the <i>Yellow Pages</i> directory	\$7,364
TOTAL		\$200,986

Outcome 4: ScreenSound Australia

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
Around Canberra Magazine	Advertising in Canberra Tourism publication	\$1,760
Canberra FM Radio	Advertising on Mix 106 and FM 104 of ScreenSound events	\$16,494
Canberra Tourism and Events Corporation	Advertising with Canberra's tourism peak body	\$3,350
Federal Capital Press	Advertising in <i>The Canberra Times</i> and <i>Chronicle</i> of ScreenSound events throughout year	\$34,419
HMA Blaze Pty Ltd	Recruitment advertising in various publications	\$10,849
National Capital Attractions	Advertising in ACT tourism publications	\$9,514
Sensis Pty Ltd	Advertising in Canberra Yellow and White pages	\$1,543
Starcom Worldwide	Recruitment advertising in various publications	\$8,256
TW Media	Advertising in <i>This Week in Canberra</i> publication	\$3,880
WIN Television	Advertising on television of ScreenSound events	\$14,748
Yaffa Publishing	Advertising of ScreenSound products in Yaffa magazines	\$1,820
TOTAL		\$106,633

Corporate and Business

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
HMA Blaze	Advertising in print media, Tender for IT Sourcing	\$4,498
HMA Blaze	Advertising in print media, Tender for Business Continuity Plan Consultancy	\$4,057
TOTAL		\$8,555

Legal Group

Name of organisation	Summary description of the nature and purpose of the consultancy	Expenditure \$1,500 or more (rounded up to the nearest dollar)
HMA Blaze	Advertising for recruitment	\$1,633
Starcom Worldwide	Advertising for recruitment	\$1,543
TOTAL		\$3,176

Appendix 6

Ecologically sustainable development and environmental performance

Ecologically sustainable development and environmental performance

Core Department

The Department continues to monitor energy usage and costs and report this information to Environment Australia on an annual basis. Through ongoing advice and assistance from the Australian Greenhouse Office, the Department aims to increase its use of 'green energy' at all sites.

In accordance with the Environment Management Plan, the Department remains proactive with its recycling program, which includes the recycling of cardboard, paper, aluminium cans and used toner cartridges. During the 2001–02 financial year, the Department entered into a new electricity supply contract with ACTEW–AGL arranged by the Australian Greenhouse Office for three years and using up to eight per cent green energy.

The Department ensures all newly constructed or substantially refurbished commercial buildings where it is the majority lessee meet Commonwealth building energy use guidelines. New leases entered into include the requirement that the lessors are responsible for the installation of separate metering for tenant lighting and power and where feasible central services are attributed on a user pay system. Additionally, lessors are requested to demonstrate their environmental and energy management programs and practices.

The Department's core building located at 38 Sydney Avenue has in the last two years been surrounded by two substantial construction sites, and the Department has been monitoring the use of silt traps and other environmental abatement controls. As a result of the new building works the cooling towers are also monitored on a monthly basis.

Overall energy usage decreased as a result of a slight decrease in staff numbers. While the Department maintains good environmental practices, no major changes to its program were introduced during 2002–03.

Details of the Department's energy usage can be found in Table 13.

TABLE 13: Energy use and greenhouse gas emissions 2002–03 for the core Department

Building	Energy Use Kwh	GJ	Number of occupants	Area (m ²)	MJ per occupante	MJ per m ²
38 Sydney Ave, Canberra	1,267,842	4,564	501	8,975	9,110	509
Old Parliament House, Canberra	3,251,459	11,705	73	25,000	160,346	468
28 National Circuit, Canberra	71,279	257	31	771	8,278	333
122–124 Gladstone St, Canberra	15,498	56	0	563	N/A	99
39 Brisbane Ave, Canberra	49,843	179	29	911	6,187	197
50C Rosebery Ave, Sydney	92,905	334	12	900	27,872	372
TOTAL 2002–03	4,748,826	17,096	646	37,120	26,464	461
TOTAL 2001–02	4,681,824	17,734	657	35,309	26,992	502
TOTAL 2000–01	4,418,696	25,792	701	35,309	36,793	730

NOTES:

- 1) On 1 January 2003, the Department took over responsibility for the National Office for the Information Economy (NOIE) lease at 39 Brisbane Ave. The area of the lease was then decreased from 1730m² to 911m².
- 2) Old Parliament House operates between hours 7am–7pm, seven days per week. OPH facilities include a cafe, galleries, restaurants, bar, conference and function areas. After hour functions are held in various locations 24 hours per day and include air-conditioning for the National Portrait Gallery.
- 3) The floor area being used at 28 National Circuit decreased from 771m² to 744m² following the signing of a Memorandum of Understanding between the Department and NOIE on 1 January 2003.
- 4) The Gladstone Street site operates as a store and no staff are permanently located at the site.
- 5) The Rosebery Ave site is occupied by Artbank and consists of 100m² of office space and 800m² of artwork storage. The storage area is maintained at 21 degrees C 24 hours per day, seven days per week. Due to revised reporting practices this is the first year this site has been reported.

ScreenSound Australia

ScreenSound Australia has integrated environmental management practices and principles within its daily functional activities. It has developed specific programs and policies for the monitoring, recovery and recycling of environmental resources in the following ways:

- recycling of paper, cardboard, Polyethylene Terephthalate (PET) and glass products;
- recycling and/or environmentally friendly disposal of chemical wastes in accordance with local and state environmental protection regulations;
- regularly monitoring international best practice in chemical and environmental management, for example, the replacement of ozone depleting substances within specialist environmental control equipment;
- energy consumption auditing of all properties and the implementation of recommendations for the reduction of energy use and associated greenhouse gas production; and
- adoption of 'green' purchasing practices as appropriate.

ScreenSound Australia strives to maintain a flexible approach to the ongoing management of the impact of its daily operations on the natural environment.

TABLE 14: ScreenSound Australia's energy use and greenhouse gas emissions

Building	Energy Use Kwh	GJ	Number of occupants	Area (m ²)	MJ per occupant	MJ per m ²
McCoy Circuit, Acton (1)	1,904,058	4,080,772	194	56,368	8,694	1,258
6–8 Baillieu Court (2)	560,607	0	0	n/a	1,718	1,175
10–12 Baillieu Court (3)	40,058	0	14	10,301	1,350	107
Unit 6, 160 Lysaght Street (4)	171,760	1,837,021	0	n/a	960	2,558
16 Vicars Street (5)	200,714	0	0	n/a	225	3,211
170 Clarendon Street, Melbourne (6)	27,462	0	9	10,985	424	233
223 Park Street South Melbourne (7)	13,830	0	9	5,532	279	178
Tenant 1a Building 61— Fox Studios, Sydney	16,140	0	8	7,263	262	222
Total 2002–03	2,934,629	5,917,793	225	73,255	13,912	1,185
Total 2001–02	2,934,741	5,194,285	233	67,637	13,969	1,128
Total 2000–01	2,806,225	5,673,473	240	65,733	13,488	1,170

NOTE:

- (1) McCoy Circuit (Headquarters) contains office space (3588 m²), climate controlled stores (1309 m²), climate controlled laboratories (2075 m²) and public areas which are climate controlled and include a theatre and exhibition areas (1722 m²).
- (2) This building consists of climate controlled stores operating 24 hours per day.
- (3) This building consists of climate controlled stores operating 24 hours per day.
- (4) This building consists of climate controlled stores operating 24 hours per day.
- (5) This building is a climate controlled Nitrate Film Storage Vault operating 24 hours per day.
- (6) Part year only—building occupied from November 2002.
- (7) Part year only—building occupied up to November 2002. Staff numbers are the same as for (6) and are not counted twice for total staff in 2002–03

Questacon

Questacon has furthered its commitment to environmental sustainability during this reporting period through the following measures:

- Green Power—Questacon has recently increased the percentage of green power consumption to 15 per cent as part of our ongoing efforts to reduce the amount of carbon dioxide (CO₂) emissions produced by Questacon operations. This makes Questacon a market leader in the use of sustainable resources within Commonwealth operations in the ACT.
- Energy Management—Questacon has tendered the services of an energy monitoring company responsible to audit all areas of energy usage throughout the Centre in an effort to identify possible reductions in CO₂ emissions as a result of Questacon operations. Operating procedures have also been improved to utilise security staff to shutdown systems and services on closure of the building each night.

- Environmental Management System (EMS)—Questacon has tendered an Environmental Management Consultancy Group to formulate the Centre's EMS that will be certified to International Quality Standard 14002.
- Recycling Systems—Questacon has further improved its recycling services, extending the program into all public and staff areas of the Centre. The amount of recycled paper products has increased by 50 per cent as a direct result of this expansion.

TABLE 15: Questacon's energy use and greenhouse gas emissions

Building	Energy Use Kwh	GJ	Number of occupants	Area (m ²)	MJ per occupant	MJ per m ²
King Edward Terrace, Canberra	1,862,774	2,192,581	9,050	1,895,484	10,500	847
Total 2002–03	1,862,774	2,192,581	9,050	1,895,484	10,500	847
Total 2001–02	2,020,096	3,421,679	10,858	2,240,416	10,500	1,018

Appendix 7

Discretionary grants

Discretionary grants

Following is a list of the discretionary grant programs the Department administered during the financial year. More information about these programs is available on the Department's website at www.dcita.gov.au.

Anti-doping Research Program

Program to provide funding for new anti-doping research to improve the analytical capability of detecting banned substances and doping agents in sport.

Commercial Radio Blackspots Program

The Commercial Radio Blackspots Program runs for three years commencing in 2002–03. It has been established to deliver new or improved commercial radio services to regional and remote communities where it has not been commercially viable for licensees to provide coverage.

Community Broadcasting

The Department administers an annual grant to the Community Broadcasting Foundation to which provides organisations with funding assistance to further the development of Australian community broadcasting.

Consumer Representation and Research Grants

Financial assistance for purposes in connection with representation of the interests of consumers, research into social, economic, environmental or technological implications in relation to telecommunications.

Networking the Nation (NTN)

NTN is a grants program being delivered from the Regional Telecommunications Infrastructure Account. The program is helping bridge the gaps in telecommunications services, access and costs between urban and non-urban Australia.

NTN aims to assist the economic and social development of regional, rural and remote Australia by funding projects which:

- enhance telecommunications infrastructure and services in those areas;

- increase access to, and promote use of, services available through telecommunications networks; and
- reduce disparities in access to services and facilities.

Other targeted initiatives funded from the Telstra Social Bonus and managed under NTN include The Local Government Fund, Building Additional Rural Networks, The Rural Internet Access Fund, The Remote and Isolated Islands Fund, and The Expanded Mobile Phone Program in Western Australia, South Australia and Tasmania.

Television Black Spots—Alternative Technical Solutions Program

This program has been developed to further improve television reception in regional areas through the development of alternative technical solutions to assist eligible applicants who could not be assisted under the Television Black Spots Program.

Television Fund

The Television Fund funds the Television Black Spots Program, which aims to fix between 200 and 250 major analog television reception black spots, and the Second Remote Commercial Channel subsidy, which subsidises the purchase of a transmitter and decoder necessary to provide a second terrestrial commercial television signal to 'self-help' communities in remote areas.

Cultural Development Program

The Cultural Development Program (CDP) comprises a number of components including individual projects, the national cultural and touring funding programs (Festivals Australia, Playing Australia, Visions of Australia and the Contemporary Music Touring Program), funding for cultural organisations such as Film Australia and the national arts training organisations, and the Australian Government's contribution to the Cultural Ministers Council and its programs such as the Return of Indigenous Cultural Property and the Distributed National Collection.

Within the CDP there are discretionary grants programs as follows:

Contemporary Music Touring Program

The Contemporary Music Touring Program aims to develop viable touring opportunities within Australia for Australian musicians and to increase audience access to live Australian contemporary music, particularly in regional areas.

Distributed National Collection

Provides funding support for strategic activities, which aim to enhance the care and management of heritage collections across Australia.

Festivals Australia

Festivals Australia provides assistance to regional and community festivals to present new and innovative arts and cultural activities, which add to the quality and diversity of the programming of festivals.

Playing Australia

Playing Australia aims to assist performing arts organisations to expand their touring activities by touring across State and Territory borders and in so doing to provide all Australians, particularly those living in regional and remote areas, with access to high quality performing arts.

Regional Arts Fund

The program provides funding for community cultural development projects in regional areas and is delivered by regional arts organisations in each State and Territory.

Visions of Australia

The national touring exhibition grant program which assists touring exhibitions of cultural material across Australia. Funding is available to cultural and community organisations to assist with exhibition touring costs and for project development.

Federation Fund programs

Federation Community Projects (FCP)

The \$30 million FCP program provided small grants to assist over 1000 community organisations to commemorate the Centenary of Federation. A total of \$200 000 was available in each electorate. The program is part of the broader \$1 billion Federation Fund program.

Federation Cultural and Heritage Projects (FCHP)

Under the FCHP program, the Commonwealth Government provided \$70.4 million from the Federation Fund to fund medium sized cultural and heritage infrastructure projects. The Department administers 28 of the 60 projects worth \$33.9 million.

Major Federation Fund (MFF)

Under the MFF program, the Commonwealth provided \$900 million from the Federation Fund to fund major infrastructure projects. The Department administers \$434 million of this funding.

Appendix 8

Staffing statistics

Staffing statistics

Table 15: Full-time and part-time Staff^{*} –30 June 2003

	Ongoing				Non-Ongoing				Total		
	Full-Time		Part-Time		Full-Time		Part-Time				
	M	F	M	F	M	F	M	F	M	F	
Core Department	211	273	7	45	18	33	4	10	1	5	607
Questacon	17	17	3	5	30	24	1	4	34	56	191
ScreenSound	80	93	2	20	10	9	1	4	3	3	225
Total	308	383	12	70	58	66	6	18	38	64	1,023

Note: These figures indicate staff substantively employed by the Department as at 30 June 2003

Table 16: Staff by classification groups and location—30 June 2003

	APS 1	APS 2	APS 3	APS 4	APS 5	APS 6	EL 1	EL 2	Legal	SES 1	SES 2	SES 3	Dept Sec	Total [*]
Core Department														
ACT	1	44	27	101	64	102	142	80	6	20	4	2	1	594
NSW	1	1	2	4	2	2		1						13
Total	2	45	29	105	66	104	142	81	6	20	4	2	1	607
Questacon														
ACT	31	40	35	26	11	20	12	9			1			188
NSW				2				1						3
Total	31	40	31	28	11	20	12	10			1			191
ScreenSound Australia														
ACT	1	38	53	36	24	32	14	9		2	1			210
NSW		1	2	1	2		1							7
VIC		1	2	1	2		2							8
Total	1	40	57	38	28	32	17	9		2	1			225
TOTAL	34	125	117	171	105	156	171	100	6	22	6	2	1	1,023

Note: These figures indicate non-ongoing and ongoing staff substantively employed by the Department as at 30 June 2003.

* These figures include the Departmental Secretary.

Table 17: SES Staff—as at 30 June 2003

Class Core Department	Male	Female	TOTAL
SES B1	14	6	20
SES B2	3	1	4
SES B3	1	1	2
Agency Head		1	1
Total	18	9	27
Questacon			
SES B1			
SES B2	1		1
SES B3			
Agency Head			
Total	1		1
ScreenSound Australia			
SES B1	0	2	2
SES B2	1*	0	1
SES B3			
Agency Head			
Total	1	2	3
Total Department	20	11	31

Note: These figures reflect nominal occupancy and do not include acting arrangements.

* SES B2 on LWOP.

Table 18: Number of staff on AWAs or Certified Agreement, by classification

Core Department

	Certified Agreement	AWA	Total
SES	-	26	26
Legal Broadband	6	0	6
EL2	29	52	81
EL1	138	4	142
APS1–APS6	348	3	351
Total	521	85	606*

* This figure does not include the Departmental Secretary.

Questacon

	Certified Agreement	AWA	Total
SES		1	1
Legal Broadband			
EL2	6	4	10
EL1	12		12
APS1–APS6	168		168
Total	186	5	191

ScreenSound Australia

	Certified Agreement	AWA	Total
SES		3	3
Legal Broadband			
EL2	9		9
EL1	17		17
APS1–APS6	196		196
Total	222	3	225

Table 19: Salary range of employees

Core Department

Type of Agreement	Certified Agreement Salary Range \$		Australian Workplace Agreements Salary Range \$		
	Classification	Lowest	Highest	Lowest	Highest
SES				94,000	162,000
Legal Broadband	49,938	78,360			
EL 2	71,896	89,270	75,857	96,948	
EL 1	62,366	78,361	62,366	71,662	
APS 6	49,938	59,233	49,938	65,000	
APS 5	46,527	49,129			
APS 4	41,733	45,103			
APS 3	37,234	40,226			
APS 2	32,738	36,287			
APS 1	29,100	31,956			

Note: part-time salaries have been annualised for comparison. Executive Level 1 and 2 classifications include classifications with Public Affairs designations.

Questacon

Type of Agreement	Certified Agreement Salary Range \$		Australian Workplace Agreements Salary Range \$		
	Classification	Lowest	Highest	Lowest	Highest
SES					126,000
Legal Broadband					
EL 2	71,001	80,497	89,610	92,298	
EL 1	61,561	66,476			
APS 6	48,021	55,162			
APS 5	44,461	47,146			
APS 4	41,130	43,280			
APS 3	35,765	40,592			
APS 2	31,401	34,822			
APS 1	15,370	30,667			

ScreenSound Australia

Type of Agreement	Certified Agreement Salary Range \$		Australian Workplace Agreements Salary Range \$	
Classification	Lowest	Highest	Lowest	Highest
SES			92,000	120,000
Legal Broadband				
EL 2	71,938	84,306		
EL 1	62,396	67,382		
APS 6	49,943	55,978		
APS 5	45,414	47,842		
APS 4	41,739	43,921		
APS 3	36,293	41,192		
APS 2	31,866	35,335		
APS 1	16,894	30,358		

Table 20: Performance payments

Core Department

Classification Level	No. of Officers Paid	Aggregate Amount	Average Amount	Lowest Payment	Highest Payment
SES and above	20	226,074	11,303	3,816	23,173*
Executive Level 1–2	47	370,257	7,877	2,189	18,770*
Legal Broadband	0	0	0	0	0
APS 4–6	5	18,254	3,650	1,498	9,000
APS 1–3	0	0	0	0	0
Total	72				

* These figures appear high as they include performance payments for both the 2001–02 and 2002–03 financial years where both payments were actually made in 2002–03

Questacon

No Questacon staff received performance payments.

ScreenSound Australia

Classification Level	No. of Officers Paid	Aggregate Amount	Average Amount	Lowest Payment	Highest Payment
SES and above	3*	38,325.36	12,775.22	6,840	12,370.15
Executive Level 1–2					
Legal Broadband					
APS 4–6					
APS 1–3					
Total	3	38,325.36	12,775.22	6,840	12,370.15

* One officer received performance payments for both 2001–02 and 2002–03 in financial year 2002–03

Table 21: Summary of EEO data—staff in EEO groups as at 30 June 2003

Male	Female	Total 1	DCLB 1&2	ATSI	PWD	Total 2
<i>Core Department</i>						
241	366	607	50	3	6	424
40%	60%	100%	12%	1%	1%	70%
<i>Questacon</i>						
85	106	191	7	0	3	10
45%	55%	100%	70%	0%	30%	5%
<i>ScreenSound Australia</i>						
96	129	225	11	1	12	169
43%	57%	100%	6%	0.5%	7%	73%

Table 22: EEO groups within occupational groups as at 30 June 2003

Male	Female	Total 1	DCLB 1&2	ATSI	PWD	Total 2
<i>Core Department</i>						
SES	18	9	27	0	0	17
Administrative	221	338	559	48	3	393
Professional	2	19	21	2	0	14
Total	241	366	607	50	3	424
<i>Questacon</i>						
SES	1	0	1	0	0	0
Administrative	84	106	190	7	0	10
Total	85	106	191	7	0	10
<i>ScreenSound Australia</i>						
SES and related	1	2	3	1	0	3
Non-SES	94	128	222	10	1	12
Total	95	130	225	11	1	12

Key

Total 1: Ongoing and non-ongoing actual staff, including inoperatives. Percentages of men and women relate to this total.

Total 2: Total number of staff who volunteered EEO information. Percentages of EEO statistics relate to this total.

DCLB 1: People from diverse cultural and linguistic backgrounds (first generation).

DCLB 2: People from diverse cultural and linguistic backgrounds (second generation).

ATSI: Aboriginal and Torres Strait Islander peoples

PWD: People with a disability

Table 23: EEO Groups within the salary ranges as at 30 June 2003

Salary Range \$	DCLB 1&2	ATSI	PWD	Total
<i>Core Department</i>				
< 33,738				1
32,738–37,233	2			38
32,734–41,732	1			14
41,733–46,526	16	1	2	81
46,527–49,937	6	1	1	45
49,938–62,365	8		1	76
62,366–71,895	10	1		93
71,895–89,270	7		1	57
> 89,270			1	19
Total	50	3	6	424
<i>Questacon</i>				
15,370–30,667				
31,401–34,822	2		1	3
35,765–40,492	1		1	2
41,130–43,280				
44,461–47,146	1			1
48,021–55,162	1		1	2
61,561–66,476				
71,001–83,188	2			2
81,856–101,217				
Total	7		3	10
<i>ScreenSound Australia</i>				
16,894–25,622				
28,156–30,358		1		1
31,866–35,335	2		1	12
36,293–41,192	1		4	44
41,739–43,921	1		2	33
45,414–47,842	1		1	28
49,943–55,978	3		3	24
62,396–67,382	1		1	16
71,938–84,306	1			8
> 81,455	1			3
Total	11	1	12	169

Key

Total: Total number of staff who volunteered EEO information.

DCLB 1: People from diverse cultural and linguistic backgrounds (first generation).

DCLB 2: People from diverse cultural and linguistic backgrounds (second generation).

ATSI: Aboriginal and Torres Strait Islander peoples

PWD: People with a disability

Appendix 9

Commonwealth Disability Strategy

Commonwealth Disability Strategy

The Commonwealth Disability Strategy (CDS) provides a framework to assist Commonwealth organisations to meet their obligations under the *Disability Discrimination Act 1992*. An aggregated table addressing the current level of performance for 2002–03 against the performance indicators for each of the defined roles where relevant—policy advisor, regulator, purchaser, provider and employer is set out below. Also included is a report for Questacon, the National Science and Technology Centre, and ScreenSound Australia—the National Screen and Sound Archive.

The Department's progress in terms of the CDS within this reporting period included work undertaken by the Telecommunications and Information and Communications Technology divisions in assessing the impact of all new and revised policies on the lives of people with disabilities (PWD).

The Department's website was launched in July 2002 and addressed standards for W3C Web Content Accessibility.

In its role as policy advisor, DCITA has achieved a significant improvement in the number of new and revised policies considering the impact on the lives of people with disabilities as well as the inclusion of people with disabilities in consultation. In terms of its provider role, the Culture and Recreation Portal has been through an upgrade to raise the level of conformance to the *Web Content Accessibility Guidelines* 1.0 standard to the highest level, a Triple A rating. Old Parliament House and the National Portrait Gallery continue to provide evidence of quality improvement and assurance systems in operation. The Department reports under the Regulatory Role that work is being undertaken to increase the percentage of publicly available material in relation to regulation and quasi-regulations in accessible electronic format.

Core Department

Policy Adviser role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. New or revised policy/program proposals assess impact on the lives of PWD prior to decision. New 1. Contemporary Music Touring Program (CMTP) 2. Digital Rights Management Guide 3. Government response to Copyright Law Review Committee (CLRC) and HREOC*	Percentage of new or revised policy/program proposals that document that the impact of the proposal was considered prior to the decision making stage.	New Number of new policies 2002/2003 (listed in column 1) = 9 Percentage = 77% (2001–02 was 58%) As in 2001–02 Telecommunications policies achieved one hundred per cent in terms of PWD assessment. Item 1 did not document that the impact of the program on PWD had been considered.	Continue to increase awareness of the requirement for consultation about new policies/programs with PWD groups. DCITA 'new policy proposal template' with social policy section utilised for 2003–04. Additional estimates and 2004–05 NPP process.

		Revised	Highlights
4. Consultancy – Review and Analysis of teletypewriter (TTY) technology and use in Australia*	Number of revised policies/programs 2002–03 (listed in column 1) = 3 % = 100% (2001–02 was 20%)	<i>New – Item 4:</i> Development and implementation of methodology for further research, including survey of TTY users.	
5. Evaluation of the National Relay Service (NRS) *	Snapshot examples	<i>New – Item 5:</i> Feedback from users will inform the framework for the contestability process for the NRS contract.	
6. Regulations and direction to Aust. Communications Authority (ACA) on Internet dumping and unexpected high bills from premium rate services.*	<i>New – Item 3:</i> The Government response to CLRC and HREOC related to recommendations to amend the <i>Copyright Act 1968</i> regarding the print handicapped radio statutory licence (s.47A).	<i>New – Item 7:</i> Ongoing refinement of the NRF as part of the Government's response to the Regional Telecommunications Inquiry, including taking into account the impact on people with disabilities.	
7. Network Reliability Framework (NRF) to monitor and improve the reliability of telephone services provided by Telstra.*	<i>New – Item 4:</i> The consultancy was designed to provide baseline information on the equipment used by deaf, hearing and speech impaired people to access the telephone network.	<i>New – Item 8:</i> Review priority assistance arrangements, including consideration of the impact of any proposals on people with disabilities	
8. Priority Assistance arrangements for people with a life threatening medical condition.*	<i>New – Item 5:</i> The views of NRS users – people who are deaf, or who have a hearing/speech impairment – were sought as part of the evaluation process.	<i>New – Item 9:</i> As the RTI recommendations are implemented disability representatives will be consulted as to proposed practical solutions.	
9. Regional Telecommunications Inquiry (RTI).*	<i>New – Item 9:</i> The RTI consulted with representatives of PWD and discussed various issues and means to address them prior to making recommendations to the Government.	<i>Revised – Item 1:</i> The Australian Communications Exchange, under its contract with the Commonwealth will offer at least 100 training sessions during 03–04 and produce a training video.	
Revised	<i>Revised – Item 1:</i> The number of training sessions delivered (by the National Relay Service provider, Australian Communications Exchange) that had some component of TTY training was 450. Training was provided in both metropolitan and regional locations. <i>Revised – Item 2:</i> The New Connections website mapping facility under construction. It will display maps that are consistent with the needs of people who are colour blind and, to the extent possible, users with other visual impairments.	<i>Revised – Item 2:</i> To continue to refine the New Connections website, based on recommendations made through an external consultancy, including recommendations for improving accessibility (e.g. the mapping facility referred to in previous column).	
1. Teletypewriter (TTY) Training Program (Telecommunications Service Inquiry initiative)* 2. New Connections Website* 3. Customer Service Guarantee (CSG) to encourage improvements in service from carriage service providers.*			

* Note: those policy proposals marked with an asterisk denote consideration of the impact on PWD

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
<p>2. People with disabilities are included in consultation about new or revised policy/program proposals.</p> <p>See new/revised policies listed against PI 1</p>	<p>Percentage of consultations about new or revised policy/program proposals that are developed in consultation with PWD.</p>	<p>New % =89% Revised % =100%</p> <p>Snapshot – examples</p> <p><i>New – Item 1:</i> In the context of revising the guidelines for the Playing Australia program (inc. Contemporary Music) both the Departmental secretariat and the Playing Australia Committee met with DADAA, a major disabilities group involved with the arts in order to gain a better understanding of issues facing grant applicants with disabilities.</p> <p><i>New – Item 8:</i> The development of the eligibility criteria included consultation with relevant medical experts and the Chief Medical Officer of Australia.</p> <p><i>New – Item 9:</i> In assessing the adequacy of telecommunications services the RTI considered the needs of people with disabilities. For instance, the inquiry met with the Consumers' Telecommunications Network and Telecommunications and Disability Consumer Representation. This was supplemented by written submissions from several consumer groups such as TEDICORE.</p>	<p>Continue to increase awareness of the requirement for consultation about new policies/programs with PWD groups.</p> <p>Highlights</p> <p><i>New – Item 5:</i> Feedback from users will inform the framework for the contestability process for the NRS contract.</p> <p><i>New – Item 9:</i> The RTI made some specific findings and recommendations concerning services to people with a disability. The Government has accepted these in its response to the RTI report and these are expected to be addressed over 2003–04 and beyond.</p> <p><i>Revised – Item 3:</i> Review the operation of the CSG as required by s.159A of the <i>Telecommunications (Consumer protection and Standards) Act 1999</i> and in the process undertake community consultation, including with disability groups.</p>
<p>3. Public announcements of new, revised or proposed policy/program initiatives are available in accessible formats* for PWD in a timely manner.</p>	<p>Percentage of new, revised or proposed policy/program announcements available in a range of accessible formats.</p> <p>Time taken in providing announcements in accessible formats.</p>	<p>334 media announcements were made during the year with 100% made available on the Internet in html at the time of the announcement. Information was also distributed in hard copy.</p> <p>No requests were received for information in other formats.</p> <p>The DCITA website was launched in July 2002 and the standards for W3C Web Content Accessibility were addressed.</p> <p>Guidelines for planning and producing materials in accessible format continue to be available on intranet.</p>	<p>100% of electronic information is available in an accessible format at the time of the public announcement.</p> <p>100% of customers requesting information in accessible formats (other than electronic) will be responded to within five days of the request by the responsible line area.</p> <p>Continued improvements in accessibility will be addressed as part of the ongoing maintenance and development of the website.</p>

* Accessible formats include electronic formats such as ASCII (or .txt) files and html for the web. Non electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Regulator role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
<p>1. Publicly available information on regulations and quasi-regulations is available in accessible formats* for PWD.</p> <p>2. Publicly available regulatory compliance reporting is available in accessible formats* for PWD.</p>	<p>Percentage of publicly available information on regulations and quasi-regulations requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> • electronic format; and • formats other than electronic. 	<p>Approximately 46% of all publicly available material in relation to regulations and quasi-regulations is available on the website in both HTML format and another format (either RTF or PDF). This includes online links to final and draft legislation, regulations and legislative instruments, and explanatory materials.</p> <p>Departmental Regulatory Plan available on website.</p> <p>No requests received for information on regulations and quasi-regulations or for compliance reporting in accessible formats.</p> <p>Accessibility standards have been included in the DCITA Website Publishing Guidelines.</p> <p>The DCITA website was launched in July 2002 and the standards for W3C Web Content Accessibility were addressed.</p>	<p>The Department is committed to improving the accessibility of our regulatory information by providing online access to documents in multiple formats (HTML and at least one other format). The Department is undertaking a process of converting quasi-regulations to HTML format. It is anticipated that, during 2003–04, the proportion of regulatory material accessible in HTML format (in addition to another format) will increase to approximately 88%.</p> <p>100% of customers requesting information in accessible formats (other than electronic) will be responded to within five days of the request by the responsible line area.</p> <p>Continued improvements in accessibility will be addressed as part of the ongoing maintenance and development of the website.</p>

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Purchaser role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Publicly available information on agreed purchasing specifications are available in accessible formats* for PWD.	<p>Percentage of publicly available purchasing specifications requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic 	<p>Contracts 96% of documentation for open tender processes available online (the remaining four per cent of open tenders were for construction related activities and contained floor plans that were not easily transferred to an online environment).</p> <p>100% of all tender documentation available in accessible electronic formats.</p> <p>Provision of tender documentation to interested parties requesting tender documentation in accessible formats other than electronic is currently five working days of the request.</p> <p>Grants programs One hundred per cent of grant program guidelines available online (those grant programs subject to applications).</p> <p>No requests for information in other accessible formats.</p> <p>Snapshot Examples The Department provides an annual grant to the Community Broadcasting Foundation Ltd (CBF), which in turn makes individual grants to community broadcasters, including grants that support and enhance the provision of radio services for the print handicapped. The Department also provides an annual grant to RPH Australia Coop Ltd to subsidise the transmission of radio services to the print handicapped.</p> <p>General The DCITA website was launched in July 2002 and the standards for W3C Web Content Accessibility were addressed. Guidelines for planning and producing materials in accessible format have been developed and continue to be available on the Intranet.</p>	<p>100% of documentation for open and restricted tender processes available online through the Commonwealth Electronic Tendering System.</p> <p>Maintain current level of availability of tender documentation in accessible electronic formats.</p> <p>Continue to review our procedures for the provision of tender documentation to interested parties in accessible formats (other than electronic) to ensure that PWD are not disadvantaged by DCITA tender processes.</p> <p>Grants programs Commercial Radio Blackspots Program (CRBP) revised Guidelines will be available online in 2003–04.</p> <p>Networking the Nation Project outcomes to be provided online. Outcomes to be provided (where possible in other accessible formats as requested).</p> <p>General Continued improvements in accessibility will be addressed as part of the ongoing maintenance and development of the website.</p> <p>Guidelines will be updated as required.</p>

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
2. Processes for purchasing goods or services with a direct impact* on the lives of people with disabilities are developed in consultation with PWD.	Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities that are developed in consultation with PWD.	<p>Contracts</p> <p>Procurement of goods that directly impact on the lives of PWD employed by this Department are developed in consultation with PWD through a Service Provider and central area of the Department.</p> <p>The Department currently has an outsourcing arrangement with a Service Provider for the delivery of services that directly impact on the lives of PWD employed by this Department.</p> <p>The Department undertook capital works fitout projects at its 38 Sydney Ave site and the NOIE's site at the Burns Centre. During construction of both buildings accessibility standards were totally met and the upgraded fitouts were designed and installed to maintain accessibility according to standards for PWD.</p> <p>Grants</p> <p>During 2002–03, in the context of revising the guidelines for the Playing Australia touring arts program both the Departmental secretariat and the Playing Australia Committee met with DADAA—a major disabilities group involved with the arts—in order to gain a better understanding of issues facing grant applicants with disabilities.</p> <p>Radio for the print handicapped representative organisations are consulted in relation to the DCITA's annual grants to the CBF and RPH Australia Coop Ltd.</p>	<p>To continue to ensure processes are developed in consultation with PWD</p> <p>To ensure any capital works fitout in 2003–04 designed and installed to maintain accessibility according to standards for PWD.</p>
3. Purchasing specifications* and contract requirements for the purchase of goods and services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> .	Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the <i>Disability Discrimination Act 1992</i> .	<p>Contracts</p> <p>All of the Department's standard contracts require compliance with relevant Commonwealth legislation including the <i>Disability Discrimination Act 1992</i>. Draft contracts are supplied with all standard request for tender documentation so that all tender organisations are aware of the requirements.</p>	<p>Contracts</p> <p>Continue to review tender documentation developed by the Department to ensure that our processes do not disadvantage PWD.</p>

* Direct impact means those goods and services which will have an explicit consequence, effect or influence on people with disabilities. It includes the purchase of mainstream goods and services as well as specialist disability services.

* Purchasing agreements can include contracts, memoranda of understanding and service level agreements.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
	<p>Percentage of contracts for the purchase of goods and services that require the contractor to comply with the <i>Disability Discrimination Act 1992</i>.</p>	<p>Grant deeds</p> <p>The Department's funding deeds require the recipient to comply with the provisions of all relevant statutes, regulations, by-laws, and requirements of the Commonwealth and the State or Territory and local authorities, including listed Acts such as the <i>Disability Discrimination Act 1992</i>.</p>	
<p>4. Publicly available performance reporting against the purchase contract specifications requested in accessible formats* for PWD is provided.</p>	<p>Percentage of publicly available performance reports against the contract purchasing specification requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic. 	<p>Contracts</p> <p>Publicly available performance information in relation to contracts and tendering is currently available online in the Commonwealth Purchasing and Disposals Gazette.</p> <p>The Departments also holds performance information in relation to the <i>Order of the Senate for Department and Agency Contracts</i> online on the Department's website.</p> <p>Grant programs</p> <p>Available online in accessible electronic format. The Minister announces all funding information through media releases online.</p> <p>Other accessible formats on request.</p> <p>No requests received for information in other accessible formats.</p> <p>General</p> <p>The DCITA website was launched in July 2002 and the standards for W3C Web Content Accessibility were addressed.</p>	<p>Contracts</p> <p>Maintain the level of accessibility for publicly available performance information in relation to contracts and tendering.</p> <p>General</p> <p>100% of electronic information is available in an accessible format.</p> <p>100% of customers requesting information in accessible formats (other than electronic) will be responded to within five days of the request by the responsible line area.</p> <p>Continued improvements in accessibility will be addressed as part of the ongoing maintenance and development of the website.</p>

* Accessible electronic formats includes ASCII (or .txt) files and html for the web. Non-electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
5. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about provider's performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	<p>The Department's Client Service Charter outlines a formal complaint mechanism, including access to external mechanisms. There were no formal complaints lodged during the year.</p> <p>Grant programs</p> <p>Grant programs have well established feedback mechanisms. In general, grants program areas on the website offer feedback mechanisms. Verbal and written feedback between the Department and the grantees occurs. A 'freecall 1800' telephone service operates for some grant programs as an avenue for complaints.</p>	Continue to review contract and tender documentation to ensure that all respondents have access to external mechanisms that address concerns raised about provider's performance, including the Purchasing Complaints Advisory Service and the Commonwealth Ombudsman.

Provider role

Performance Indicator	Performance Measure	Current level of performance 2002–03	Goals for 2003–04
1. Providers have established mechanisms for quality improvement and assurance.	Evidence of quality improvement and assurance systems in operation.	<p>Under the Department's Client Service Charter the Department is required to conduct an annual survey of clients. The 2003 Client Survey had 2% respondents who identified they required online material accessible to people with disabilities. There were no requests for TTY services to access the Department's services.</p> <p>Snapshots from 'Providers'</p> <p>The DCITA website was launched in July 2002 and the standards for W3C Web Content Accessibility were addressed.</p> <p>Culture and Recreation Web Portal</p> <p>The Culture and Recreation Portal (CARP) has been through an upgrade to raise the level of conformance to the Web Content Accessibility Guidelines 1.0 standard to the highest level, a Triple A rating. This will make the site much easier for users with browsers designed for people with disabilities to navigate.</p> <p>The Department has published a newsletter concentrating on the theme of improving accessibility. The newsletter</p>	<p>Continued improvements in accessibility will be addressed as part of the ongoing maintenance and development of the website.</p> <p>Progress Triple A rating under Web Content Accessibility Guidelines 1.0 standard for all pages of the website.</p> <p>Further investigation of building access issues, based on preliminary recommendations arising from building access audit.</p> <p>Design study of options for improved front and rear building and toilet access will be completed.</p> <p>Ongoing works to improve OPH compliance with relevant building codes.</p> <p>Liaise with relevant bodies (including Australian Heritage Commission) on measures and compromises necessary to achieve reasonable access standards.</p> <p>Ensure that all OPH Volunteer Guides continue to receive training in dealing with access-impaired visitors.</p> <p>Commence development of an integrated Disability Access Plan for OPH.</p>

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
		<p>was circulated to the 'owners' of the websites connected to CARP, offering advice and information about improving disability access to their sites.</p> <p>Old Parliament House (OPH) and the National Portrait Gallery (NPG)</p> <p>Take into account a range of social justice and equity issues when designing public programs, such as school programs, events and exhibitions.</p> <p>All OPH Volunteer Guides have received training in dealing with vision-impaired visitors.</p> <p>OPH has continued to take a range of measures to meet the needs of a number of Volunteers with various disabilities and enable them to participate in Volunteer activities.</p> <p>An audit of OPH has been completed, identifying all aspects of non-compliance with the Building Code of Australia with regard to access to and within OPH.</p> <p>Design study of options for improved front and rear building and toilet access has commenced.</p> <p>Initiated works to improve OPH compliance with relevant building codes.</p> <p>The NPG Assistants have attended training and development programs, specifically to understand the needs of the hearing impaired and the visually impaired.</p> <p>Multiple copies of large format labels for visitors with visual impairment maintained.</p> <p>The NPG is in the process of developing tactile 'images' of portraits in the collection with braille text that will enable vision-impaired visitors to experience portraits first-hand. A prototype of the NPG's portrait of Captain James Cook by John Webber is being developed.</p> <p>Arrangements are in place for NPG to host educational programs for students with special needs.</p>	

Performance indicator	Performance measure	Current level of performance 2002–2003	Goals for 2003–04
2. Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for PWD.	Established service charter that adequately reflects the needs of PWD in operation.	The Department commissioned an external review of its Client Service Charter in 2003 and released its new Client Service Charter in June 2003. The review included stakeholder and client feedback on the quality of the Charter and the appropriateness of its standards. The revised Charter implements the recommendations of the review and addresses accessibility and diversity issues.	To continue to ensure PWD are consulted in reviews of the Charter and issues raised through the Client Service Survey are raised with appropriate areas.
3. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	<p>The Department's Client Service Charter outlines a formal complaint mechanism, including access to external mechanisms. There were no formal complaints lodged during the year.</p> <p>The Departmental website has a 'feedback' and 'contact us' link.</p> <p>Snapshot: The Cultural and Recreation web portal has a feedback mechanism (link on every page). Feedback is actively sought from the electronic contributors' newsletter and the OzeCulture newsletter</p>	To continue to ensure that any complaints raised by PWD are addressed in accordance with the Client Service Charter.

Employer role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Employment policies, procedures* and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	Number of employment policies, procedures and practices that meet the requirements of the <i>Disability Discrimination Act 1992</i> .	<p>The following employment programs and policies meet the requirements of the <i>Disability Discrimination Act 1992</i>:</p> <ul style="list-style-type: none"> • Performance Management • Workplace Diversity • Harassment • OH&S • Induction <p>Current recruitment procedures also provide access to applicants with disabilities.</p> <p>The DCITA Certified Agreement, certified on October 14, 2002 also complies with the DDA.</p>	Continue to ensure that policies, procedures and practices are consistent with legislation
2. Recruitment information for potential job applicants is available in accessible formats* on request.	<p>Percentage of recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible information in :</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic. 	<p>All recruitment information is available in electronic information on the Internet and intranet.</p> <p>Recruitment staff are also able to provide information hard copy, large print, or other formats on request.</p> <p>Approximately 95% of applicants requested information in accessible electronic formats.</p> <p>Approximately 5% of applicants requested information in other accessible formats.</p> <p>Electronic format information can be provided in less than a minute (approximate download time), through a web-based tool. Information provided in non-electronic format is reliant on postal services.</p>	<p>Continue to ensure that policies, procedures and practices are consistent with legislation.</p> <p>Monitor the availability of information to ensure that applicant needs are being met.</p>
3. Agency recruiters and managers apply the principle of reasonable adjustment.	Percentage of recruiters and managers provided with information on reasonable adjustment.	Recruiters and managers have access to the <i>Disability Discrimination Act 1992</i> through the DCITA intranet or other government websites. A link is provided from the DCITA intranet to the Act.	<p>Information to be prepared for managers and chairs or panels regarding reasonable adjustment.</p> <p>Messages regarding/links to principles to be included in advertising.</p>

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include Braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Performance Indicator	Performance Measure	Current level of performance 2002–03	Goals for 2003–04
4. Training and development programs consider the needs of staff with disabilities.	Percentage of training and development programs that consider the needs of staff with disabilities.	All training and development courses co-ordinated by HR services provide facilities that have reasonable access for people with disabilities. Staff with disabilities who book for internal courses are encouraged to discuss their needs with HR Services.	Where training and development programs are planned off-site, venues with appropriate access for people with disabilities will be used and input from attendees will be sought about their access requirements.
5. Training and development programs include information on disability issues as they relate to the content of the program.	Percentage of training and development programs that include information on disability issues as they relate to the program.	<p>The following programs were conducted in this financial year and included significant information on disability issues:</p> <p>Three half day programs entitled <i>Capitalising on Workplace Diversity</i>.</p> <p>Four Occupational Health and Safety Awareness Programs.</p> <p>Five APS values sessions.</p> <p>Two sessions on interviewing techniques.</p> <p>Two full day induction programs.</p> <p>These programs represent 5% of total programs offered as part of the DCITA Core Training Calendar.</p>	Continue to provide information on disability issues in all appropriate courses conducted by the Department.
6. Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff.	Established complaints/grievance mechanisms, including access to external mechanisms in operation.	<p>The current DCITA Certified Agreement includes provisions for complaint and grievance resolution, including access to external mechanisms.</p> <p>HR Services and the current Workplace Diversity Contact Officer Network handled a number of informal complaints</p>	<p>Ensure that all staff are aware of the mechanisms available.</p> <p>Continue to provide training contact officers to assist in handling complaints.</p>

Questacon—the National Science and Technology Centre

Questacon is reporting against the roles of Provider and Employer for CDS. Key outcomes for the previous year have been our increased evaluation of our programs in line with the Disability Strategy. Continued training of volunteers and customer service staff in consultation with peak disability organisations. Questacon promotes and supports the employment of people with disabilities in both its staff and volunteer programs. A key initiative in 2003–04 is the continued focus on the review and upgrade of facilities to further improve visitor experience for people with disabilities. As a result of Questacon's move to the Department of Education Science and Training all policies and processes will be reviewed to develop a more coordinated approach across the portfolio.

Provider role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Providers have established mechanisms for quality improvement and assurance.	Evidence of quality improvement and assurance systems in operation.	<p>Continuing to develop strategies and guidelines to meet the needs of PWD in terms of the accessibility of Questacon and its programs both within the Centre and in its Outreach Programs.</p> <ul style="list-style-type: none"> • Courteous and prompt customer service; to enable visitors with disabilities to have an enjoyable and rewarding visit to the Centre • Refining the customer Service Charter to reflect the needs of PWD. • Constantly reviewing the project planning processes to include the needs of PWD when conceiving and developing programs and exhibitions • Cultural Diversity Training Programs in line with development of specific programs and exhibitions dealing with Indigenous culture, constant liaison with remote Indigenous people whilst developing and delivering programs 	<ol style="list-style-type: none"> 1. The Customer Service Team will continue to monitor and recommend ways to better meet the needs of PWD in the three areas listed. 2. Evaluation of current programs in consultation with peak bodies to ensure needs of PWD.
2. Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for PWD.	Established service charter that adequately reflects the needs of PWD in operation.	Questacon Service Charter in place specifying the roles of the Agency and its customers. Continuous improvement and best practice in responding to visitor surveys and customer feedback.	Marketing to continue seeking feedback from national peak bodies for comment to feed into Customer Service Charter.
3. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	<p>The Centre has established complaints/grievance processes for addressing concerns about our performance.</p> <p>Feedback from our Customer Service Charter is addressed and responded to in a timely manner.</p> <p>Feedback from customers indicated no particular disability related issues have been raised about our performance.</p> <p>No potential barriers have been reported.</p>	The Centre will continue to review the Customer Service Charter in a pro-active role to further advise on potential barriers for PWD and make recommendations accordingly.

Employer role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	Number of employment policies, procedures and practices that meet the requirements of the <i>Disability Discrimination Act 1992</i> .	<p>During 2002–03 the Centre developed and reviewed the following employment policies in line with the <i>Disability Discrimination Act 1922</i>:</p> <ul style="list-style-type: none"> • Selection processes with regard to large recruitment exercises • Diversity Policy • Training and Development Program 	<p>The Centre will review and consider the following policies and procedures in line with the <i>Disability Discrimination Act 1922</i>:</p> <ul style="list-style-type: none"> • Certified Agreement • Planning for Retirement Policy (to be drafted) • Questacon Code of Conduct
2. Recruitment information for potential job applicants is available in accessible formats* on request.	<p>Percentage of recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible information in :</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic. 	<ul style="list-style-type: none"> • 100 per cent of requests for electronic information are met via the Questacon internet recruitment site. • 100 per cent of customers requesting information in accessible formats (other than electronic) will be satisfied in the format referred within 24 hours of the request. • If necessary (very rare) extensions to the closing date for applications is made in keeping with the time taken to supply information in accessible format/s. • No request for information in large print format to date. • Questacon is able to provide statistics on the current usage of our internet recruitment site. 	<p>People Support and Development (PS&D) team will continue to investigate and research methods of providing information on recruitment in various accessible formats. The PS&D team will keep records of requests for information in accessible format in line with the <i>Disability Discrimination Act 1922</i> to report to Senior Management Team and Government stakeholders as available.</p>
3. Agency recruiters and managers apply the principle of reasonable adjustment.	Percentage of recruiters and managers provided with information on reasonable adjustment.	<p>The Centre does not use external contractors for recruitment and selection processes.</p> <p>Recruitment and Selection Guidelines contain limited advice on reasonable adjustment.</p> <p>Most internal recruiters had been advised on reasonable adjustment.</p> <p>Some managers have received updated advice on the principles and practices of reasonable adjustment.</p>	<p>Continue to achieve external recruits on reasonable adjustment.</p> <p>Continue to advise managers on the principles and practices of reasonable adjustment.</p> <p>Selection Guidelines will be completely updated to include advice on reasonable adjustment.</p>

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include Braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
4. Training and development programs consider the needs of staff with disabilities.	Percentage of training and development programs that consider the needs of staff with disabilities.	<p>The Centre does not keep data on the number of training and development courses that have considered the needs of PWD.</p> <p>Training and Development programs, when developed consider staff needs and address particular disability access needs.</p> <p>An intensive training and development program was not undertaken in 2002–03 due to various conflicting priorities.</p>	<p>Evaluation forms still being developed to take into account and address particular disability and access needs.</p> <p>Continue to brief new and existing managers on the importance of identifying specific needs of staff with disabilities whilst planning and developing training programs.</p>
5. Training and development programs include information on disability issues as they relate to the content of the program.	Percentage of training and development programs that include information on disability issues as they relate to the program.	<p>The Centre's Training and Development Program was limited to essential and ad-hoc training, due to the lack of resources and conflicting major projects being undertaken by the People Support and Development Team.</p> <p>Questacon continues to place importance on the areas of Workplace Harassment, OH&S and Cultural Diversity training as addressing disability issues.</p> <p>Performance Measure 30%.</p>	<p>The Centre will further strive to ensure all development programs are developed in consultation with training providers, the Department of Education, Science and Training and will integrate the ideas or case studies from the CDS Training Resources (where appropriate) into any course content on a on-going basis.</p> <p>The following programs are planned:</p> <ul style="list-style-type: none"> • Risk Management • Customer Services • Team Feedback • Project Planning • The Centre will endeavour to keep records on program integration on disability issues
6. Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff.	Established complaints/grievance mechanisms, including access to external mechanisms in operation.	The Centre has processes established for the handling of complaints/grievances, which include access to external mechanisms (e.g. Employee Assistance Program, Merit Protection and Review Agency) and various written mechanisms. The Centre has received no complaints/grievances involving disability issues in the workplace during 2002–03. Staff have been briefed on an as required basis on the complaints/grievances processes and available avenues.	Staff to continue receiving briefings on complaints/grievance process and available avenues of support.

Screensound Australia—The Screen and Sound Archive

ScreenSound Australia is reporting against the roles of Purchaser, Provider and Employer for the CDS. Key outcomes for 2002–03 include the provision of sensory impairment awareness training for employees. A key goal for 2003–04 is the implementation of a cultural awareness-training program. As a result of its merger with the Australian Film Commission (AFC) on July 1 2003, ScreenSound will be reviewing policies and initiatives to develop a coordinated approach across the whole of the AFC, including ScreenSound Australia diversity policies and initiatives. ScreenSound Australia's 2002–03 CDS report is outlined in the following table.

Purchaser role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Publicly available information on agreed purchasing specifications are available in accessible formats* for PWD.	<p>Percentage of publicly available purchasing specifications requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic 	Tender documents are placed on ScreenSound Australia's website in accessible formats.	<p>To continue to ensure publicly available information on agreed purchasing specifications are available in accessible formats for PWD.</p> <p>Reviewing policies and initiatives to develop a coordinated approach across the whole of the AFC **.</p>
3. Purchasing specifications# and contract requirements for the purchase of goods and services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> .	<p>Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the <i>Disability Discrimination Act 1992</i>.</p> <p>Percentage of contracts for the purchase of goods and services that require the contractor to comply with the <i>Disability Discrimination Act 1992</i>.</p>	<p>Contracts</p> <p>All contracts for amounts of more than \$30 000 include a clear statement that the successful tenderer must comply with the <i>Disability Discrimination Act 1992</i>.</p>	To continue to ensure purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> .

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

** This applies to all indicators.

Purchasing agreements can include contracts, memoranda of understanding and service level agreements.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
4. Publicly available performance reporting against the purchase contract specifications requested in accessible formats* for PWD is provided.	<p>Percentage of publicly available performance reports against the contract purchasing specification requested and provided in :</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible material in:</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic. 	It has not been necessary to date to report on requests for access, as there have not been any.	
5. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about provider's performance	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	ScreenSound Australia's Service Charter outlines a formal complaints mechanism. This is available on ScreenSound Australia's website.	

* Accessible electronic formats includes ASCII (or .txt) files and html for the web. Non electronic accessible formats include braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Provider role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
1. Providers have established mechanisms for quality improvement and assurance.	Evidence of quality improvement and assurance systems in operation.	<p>Feedback from clients and customer surveys are used to identify any areas of improvement in meeting the needs of PWD.</p> <p>Examination of the requirements for ScreenSound Australia's theatre upgrade identified a need to provide an Induction Hearing Loop for sensory impaired people. This will be implemented in the upgrade during July 2003.</p> <p>Public brochures and flyers identify availability of wheelchair access and facilities.</p> <p>Wheelchair access is available in Sydney and Melbourne Offices.</p> <p>A recently developed teacher/group information kit seeks feedback regarding special needs.</p>	<p>Continue to actively seek feedback from clients through customer surveys and person-to-person contact/follow-up.</p> <p>Examination of exhibition accessibility (e.g. signage, lighting etc) to be undertaken.</p>
2. Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for PWD.	Established service charter that adequately reflects the needs of PWD in operation.	<p>Key objectives in ScreenSound Australia's Service Charter include:</p> <ul style="list-style-type: none"> • making the Collection available to as many people and organisations as possible; and • exploring new technologies to improve our range of services and modes of access. 	<p>Review Service Charter to ensure it adequately reflects the needs of PWD.</p>
3. Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about performance.	Established complaints/grievance mechanisms, including access to external mechanisms, in operation.	<p>ScreenSound has an established complaints system for visitors to its premises and users of its website.</p> <p>A formal review was not considered necessary as feedback mechanisms are in place and no complaints have been received. These mechanisms include:</p> <ul style="list-style-type: none"> • Service Charter • Website • Visitor feedback forms for people visiting our exhibitions • Feedback forms from teachers attending our Public Education Program presentations with school groups • Feedback cards included with our products. 	

Employer role

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
<p>1. Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i>.</p>	<p>Number of employment policies, procedures and practices that meet the requirements of the <i>Disability Discrimination Act 1992</i>.</p>	<p>HR policies and guidelines have been reviewed and are consistent with relevant disability legislation and good practice.</p> <p>All people involved in the policy development process are briefed on the principles of the <i>Disability Discrimination Act 1992</i>.</p>	<p>Assess the extent to which work practices comply with the principles of the <i>Disability Discrimination Act 1992</i>.</p>
<p>2. Recruitment information for potential job applicants is available in accessible formats* on request.</p>	<p>Percentage of recruitment information requested and provided in:</p> <ul style="list-style-type: none"> • accessible electronic formats; and • accessible formats other than electronic. <p>Average time taken to provide accessible information in :</p> <ul style="list-style-type: none"> • electronic formats; and • formats other than electronic. 	<p>All job vacancies open to the public are advertised on ScreenSound Australia's website.</p> <p>A selection of standard recruitment materials in accessible format is kept in stock or can be readily made available.</p>	<p>No requests for information in accessible formats have been received to date.</p>

* Accessible electronic formats include ASCII (or .txt) files and html for the web. Non electronic accessible formats include Braille, audio cassette, large print and easy English. Other ways of making information accessible include video captioning and Auslan interpreters.

Performance indicator	Performance measure	Current level of performance 2002–03	Goals for 2003–04
3. Agency recruiters and managers apply the principle of reasonable adjustment.	Percentage of recruiters and managers provided with information on reasonable adjustment.	Relevant managers have been made aware of the principle of reasonable adjustment for individual cases and have been provided with advice and assistance in addressing special needs.	All managers briefed on principles and practices of reasonable adjustment.
4. Training and development programs consider the needs of staff with disabilities.	Percentage of training and development programs that consider the needs of staff with disabilities.	<p>All training courses/venues internal or external consider both wheelchair access and sensory impairments (hearing/visual).</p> <p>Sensory impairment awareness training for employees is included in the Diversity Training Plan.</p> <p>Employees in customer service and exhibitions have been trained in identifying needs of PWD.</p> <p>Training nomination forms allow for employees to identify any particular requirements relating to a disability.</p> <p>Evaluation forms allow for feedback where disability needs may not have been addressed.</p>	
5. Training and development programs include information on disability issues as they relate to the content of the program.	Percentage of training and development programs that include information on disability issues as they relate to the program.	To date programs have not contained information on disability issues unless they are specific disability training programs.	The implementation of a Cultural Diversity program for all staff.
6. Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff.	Established complaints/grievance mechanisms, including access to external mechanisms in operation.	<p>ScreenSound Australia has a complaints handling process in place.</p> <p>An Employee Assistance Program is in place and actively promoted throughout the organisation. In addition, staff can raise issues, concerns or suggestions of any nature to the executive via a suggestion box.</p> <p>HRD and Diversity Committee comprised of management and staff representation. This committee considers issues and proposals put forward by Committee mechanisms and staff on a broad range of training and diversity matters.</p>	

Appendix 10

Parliamentary committees

Parliamentary committees

The Department's involvement in the following Parliamentary committees ranged from preparing or providing input to Government responses, appearing before and/or making written submissions to the committees.

Senate Select Committee on Information Technologies

In the Public Interest—Monitoring Australia's Media

Tabled: 13 April 2000 No Government Response to date

The report questions the efficiency and effectiveness of self-regulation and co-regulation in the communication and information industries, and, in particular, the adequacy of the complaints regime.

The Committee made five recommendations suggesting that an independent statutory authority, the Media Complaints Commission (MCC), be established to oversee the various existing bodies and processes that currently regulate television, radio, press news and the Internet.

The proposed MCC would:

- provide more effective enforcement of self-regulatory codes;
- protect an individual's right to privacy;
- increase awareness of the complaints process; and
- function as the final adjudicatory body for complaints allowing it to impose sanctions in addition to those that currently exist.

The Government deferred responding to this report while the Australian Broadcasting Authority (ABA) investigations into the disclosure requirements of commercial radio broadcasters continues. The Government expects to respond during the next financial year.

House of Representatives Standing Committee on Communications, Transport and the Arts

Local Voices: Inquiry into Regional Radio

Tabled: 24 September 2001 No Government Response to date

Two themes—access and content—dominated the inquiry and were the focus of the Committee's Report. The report addressed the issues of access and diversity of services and the commercial viability of local radio. It considered the networking of radio services and its effect on the availability of local programming.

The role of radio in emergency situations and the implications of digital radio for regional services were also considered. The report followed on from the Committee's previous inquiry into regional radio racing services.

The Committee concluded that radio services have undergone considerable changes in recent years as a result of regulatory, economic and technological developments. This has affected the range, nature and quality of services for listeners and has changed the environment in which service providers operate.

The Committee made 20 recommendations relating to a range of issues, including:

- establishment of a Radio Black Spots Program;
- improved access to commercial radio in remote locations;
- improved access for Indigenous and radio for the print handicapped;
- employment and training scheme for community broadcasting;
- broadcasters to identify originating source of programming;
- ABA to conduct an audit of licence areas to determine degree to which planning process provided for localism and diversity and to issue no further commercial licences until the audit is completed;
- introduction of a commercial viability test in the consideration of whether to issue new commercial licences;
- legislative change to address the role of radio in emergency situations; and
- trials of digital services in regional/remote areas and of range of terrestrial and satellite applications.

Many of the recommendations have already been acted upon. The Government expects to finalise the response to the Report in the next few months.

House of Representatives Standing Committee on Communications, Transport and the Arts

Covering your Arts—Art Indemnity in Australia

Tabled: 24 September 2001 Government Response: 5 December 2002

The Report examines Art Indemnity Australia (AIA), an Australian Government program through which items loaned for major cultural exhibitions are indemnified against loss or damage.

The Committee endorsed the current operation of the scheme and made recommendations that focused on:

- the practice of underwriting AIA risk with Comcover insurance;
- strengthening relations between the national organisations that manage AIA indemnified exhibitions and State and Territory cultural institutions; and
- maximising the geographic spread of exhibitions indemnified by AIA.

The Government's response commented that the Report was a comprehensive and valuable document, and as a result the majority of the recommendations were accepted. The Government did not accept the Report's first recommendation, which suggested that the practice of underwriting AIA risk with Comcover insurance should be abandoned. The Government determined that this would leave the Commonwealth exposed to an unacceptable level of uninsured risk.

Senate Environment, Communications, Information Technology and the Arts References Committee

Above Board? Methods of Appointment to the ABC Board

Tabled: 25 September 2001 Government Response: 29 August 2002

The inquiry considered the development and implementation of options for methods of appointment to the Board of the Australian Broadcasting Corporation (ABC). Members of the Committee gave four different reports. The report of the Chair, Senator Lyn Allison, proposed a series of reforms to the method of appointment, including the establishment of selection criteria for Board positions, the use of formal applications for positions and the use of an independent selection panel to make recommendations to the Minister. Senator Bob Brown supported most of the Chair's recommendations but believed that the British model for appointments should be adopted.

A minority report from Labor Senators noted that no evidence was provided indicating politicisation of the ABC Board and that it was not clear that any changes mooted in the Chair's report would remove the perception of politicisation. They argued that further examination of the issue is required and that, in the meantime, selection criteria should be developed for incoming Board members.

The report of the Government Senators found that the inquiry did not clearly establish that there is a problem with the current approach to Board appointments, nor that there is a strong argument for differentiating the method of appointing ABC Board Directors from the approach taken for other Commonwealth agencies.

In its response the Government stated that the Committee failed to establish any clear argument for the need to change the method of appointment to the ABC Board nor why it should be differentiated from other Commonwealth agencies. The Government does not support any of the recommendations put forward by the Committee in the Chair's report (except for the retention of the staff-elected Director).

Senate Environment, Communications, Information Technology and the Arts References Committee

Report on Broadcasting Services Amendment (Media Ownership) Bill 2002

Tabled: 18 June 2002 Responded with amendments to Broadcasting Services Amendment (Media Ownership) Bill 2002

The Bill repeals restrictions on foreign ownership and control of Australian media in the *Broadcasting Services Act 1992* (BSA). It also provides for exemptions to be granted from cross-media ownership restrictions subject to applicants continuously meeting requirements for separate editorial decision-making responsibilities and, in the case of regional broadcasters, minimum levels of local news and information services.

The Committee recommended that the Senate support the Bill, provided that four conditions were satisfied. These were that:

- media companies operating under a cross-media exemption certificate be required to disclose relevant cross-media holdings when reporting on issues or matters related to those holdings;
- following receipt of the Australian Broadcasting Authority's report into local news and information in regional Australia, the Government consider extending requirements for the provision of local news and information to all regional broadcasters, not just those operating under a cross-media exemption certificate. The Committee noted such an approach should have regard to both regional communities' access to local news and information services and the financial viability of the requirements for regional broadcasters;

- in regional markets, cross-media exemptions be restricted to ensure that a media company could achieve cross-ownership in only two of the three generic categories of newspapers, radio and television; and
- the Government investigate the feasibility of providing appropriate incentives for regional media to provide local content, such as licence fee rebates.

A dissenting report was also tabled.

The Government introduced amendments to the Bill in the House of Representatives on 15 October 2002 to address some of the Committee's concerns. The amendments passed the House on the same day. The amendments included a requirement on commercial television and radio broadcasters and newspapers to disclose a cross-media relationship, and a limit on cross-media ownership in regional areas to two of the three types of media (commercial television, radio and newspapers).

The Bill was introduced in the Senate on 23 October 2002, and debated in June 2003.

Following debate and amendment in the Senate, the House of Representatives laid the Bill aside on 26 June 2003 after rejecting some of the Senate's amendments (although those related to the Committee's recommendations were retained).

House of Representatives Standing Committee on Communications, Information Technology and the Arts

Connecting Australia! Wireless broadband

Tabled: 11 November 2002 No Government Response to date

The House of Representatives Standing Committee on Communications, Information Technology and the Arts' Inquiry into Wireless Broadband Technologies was established on 24 March 2002. The purpose of the Inquiry was to investigate and report on the current and potential use of wireless technologies to provide broadband communication services in Australia, including regional Australia. The Committee released its report, *Connecting Australia! Wireless Broadband*, on 11 November 2002.

The report made 14 recommendations aimed at improving take-up of wireless broadband in Australia, covering spectrum access and coordination; carrier licensing exemptions; wireless access in regional Australia; access for the hearing impaired; national security; education and training; and Australian Communications Authority (ACA)–Australian Broadcasting Authority (ABA) coordination. While the Committee examined a range of wireless technologies, its report and recommendations focused particularly on wireless local area networks.

The Government is finalising its response to the report and expects to table it shortly.

House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs

Inquiry into the needs of urban dwelling Aboriginal and Torres Strait Islander peoples

Tabled: 24 September 2001 Government Response: 18 September 2002

The Department of Immigration, Multicultural and Indigenous Affairs coordinated the Government response to this report. The Department did not make a formal submission to this Inquiry.

The Department provided input to the Government response in April 2002.

Joint Standing Committee on Treaties

United Nations Convention on the Rights of the Child – 17th Report

Tabled: 28 August 1988 Government Response: March 2003

The Attorney-General's Department was responsible for the coordination of the Government response to this report. The Department provided input to the Government response.

Senate Environment, Communications, Information Technology and the Arts Reference Committee

Inquiry into Electromagnetic Radiation

Tabled: 4 May 2001 Government Response: 6 February 2003

The Australian Radiation Protection and Nuclear Safety Agency, in the Health Portfolio, coordinated the preparation of the Government response to this report. The Department provided input to the development of the response during the period September to December 2002.

House of Representatives Standing Committee on Legal and Constitutional Affairs

Cracking down on copycats: enforcement of copyright in Australia

Tabled: 4 December 2000 Government Response: 25 June 2003

The Attorney-General's Department was responsible for coordinating the Government response to this report. The Department previously provided a written submission but did not appear before the Committee. Much of the Government's response was implemented in copyright enforcement amendments included in the *Copyright Amendment (Parallel Importation) Act 2003* No. 34, 2003.

House of Representatives Standing Committee on Communications, Information Technology and the Arts

Inquiry into the future opportunities for Australia's film, animation, special effects and electronic games industries

Officials from the Department, the Australian Film Commission and the National Office for the Information Economy appeared before the Committee at a private hearing on 6 May 2003.

Senate Environment, Communications, Information Technology and the Arts Committee

Inquiry into the Provisions of the Telecommunications Competition Bill 2002

Tabled: 2 December 2002

The Department appeared before the Committee on 22 and 25 October 2002.

Joint Committee of Public Accounts and Audit

Inquiry into the Draft Financial Framework Legislation Amendment Bill

The Department appeared before the Committee on 7 March 2003 and made written submissions in relation to the provisions of the Financial Framework Legislation Amendment Bill affecting DCITA Special Accounts.

House of Representatives Standing Committee on Communications, Information Technology and the Arts

Inquiry into the Structure of Telstra

In February 2003, the Department of Communications, Information Technology and the Arts, together with the Department of Finance and Administration, made a written submission to the Inquiry into the structure of Telstra. The Committee did not hold public hearings.

Joint Standing Committee on the National Capital and External Territories

Inquiry into Pay Parking in the Parliamentary Zone

Old Parliament House and the National Portrait Gallery made a written submission to the Inquiry. Representatives of Old Parliament House, the National Portrait Gallery and the Old Parliament House Volunteers' Committee appeared before the Inquiry's public hearings on 9 May 2003.

Joint Committee on Foreign Affairs, Defence and Trade

Inquiry into Australia's Relationship with Indonesia

The Department provided a written submission on 31 October 2002, which included contributions from the Department, the Australian Sports Commission and ScreenSound Australia.

House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs

Inquiry into Capacity Building in Indigenous Communities

The Department provided a written submission in September 2002.

House of Representatives Standing Committee on Economics, Finance and Public Administration

Inquiry into Local Government and Cost Shifting

The Department provided a background paper on 1 August 2002 providing details of the activities undertaken by the Department in relation to local Government.



Senator the Hon Richard Alston
Minister for Communications,
Information Technology and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with the terms of appointment of the members of the Board for the Networking the Nation (NTN) program, I submit the annual report of the Board for the 2002-2003 financial year.

A total of \$4,415,133 million was committed through the NTN program in the period under review. The financial statements detailing this commitment is included in the Department of Communication, Information Technology and the Arts 2002-2003 Annual Report and has been audited by the Australian National Audit Office.

Funding for the Remote and Isolated Islands, Internet Access Fund and Extended Mobile Coverage Programs has now been completed. The Local Government and BARN Funds are now almost fully committed. We are pleased that the projects funded under the General Fund have until 30 June 2004 to be completed. Our experience shows that, for a number of reasons frequently beyond the control of the grant recipient, projects are not completed within their original timelines. The additional time will allow many projects in remote locations to be fully implemented. I am also pleased to advise you that the evaluation of the NTN Programs is now well underway and I expect that this report will be forwarded to you by the end of 2003-04.

The Board welcomes the Government's response to the Regional Telecommunications Inquiry. It considers that considerable progress has been achieved since 1997 in enhancing telecommunications services in regional Australia, through the projects we have been able to support, and through other Government initiatives. The announcement of further initiatives to improve services will complement these past efforts and cement the benefits for those in regional, rural and remote Australia.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J.D. Anthony'.

The Rt Hon JD Anthony
Chair, NTN Board
(1 July 2002 – 30 June 2003)

22 July 2003

Appendix 11

Annual Report of the Networking the Nation Board

Annual Report of the Networking the Nation (NTN) Board

1. ACTIVITIES DURING 2002–03

1.1 A new phase of activity

The 2002–03 year was not typical of the NTN Board's past operations. In recognition of the approaching sunset date for a number of NTN Programs⁵, the Board's emphasis switched from approving large numbers of new grants to dealing with the closing stages of the funding Program.

A key concern of the Board arose from the situation emerging in relation to the BARN Program. The types of applications seeking funding did not appear to the Board to be meeting the greatest needs in regional Australia and, worryingly, appeared to advance only marginal business cases in support of the large funding being sought. The Board therefore proposed to the Minister that the unallocated funds be redirected to higher priority needs, in particular to improve Internet access for customers in rural and remote areas not otherwise benefiting from the improved access available to extended zone customers. The Board welcomes the Government's decision to redirect the uncommitted BARN funds to the Higher Bandwidth Incentive Scheme and other aspects of the National Broadband Strategy. The Board notes this Scheme is consistent with its own views on meeting priority needs.

Consistent with the closing phase of the Program, more emphasis was also placed on compliance matters.

A Compliance Team was established in the Secretariat in January 2003 to take responsibility for managing those projects that had outstanding reports and those that had not satisfactorily acquitted the funds provided. The Team also implements the NTN audit strategy and manages the NTN risk register. The Team has successfully brought to conclusion 40 previously non-complying projects and is currently pursuing 32 with outstanding reporting obligations. One project has been terminated.

Audit reviews were undertaken on 28 funding recipients during the 2002–03 financial year. The reviews were performed by the Department's internal auditors KPMG or externally engaged auditors. The audit reviews seek to provide assurance that funding recipients are expending Commonwealth funds appropriately. Funding recipients to be reviewed are selected in most cases by random, and in some cases where the Secretariat has some concern with their performance.

⁵ The NTN programs include: NTN General Fund (also known as the Regional Telecommunications Infrastructure Fund (RTIF)); Building Additional Regional Networks (BARN); Remote and Isolated Islands Program; Internet Access Program; Extended Mobile Coverage; and Local Government Program. The General Fund Program was due to close on 30 June 2003, however the Government agreed to extend it to 30 June 2004 as a precaution against projects not completing within the time available. The Remote and Isolated Island Fund, Internet Access Program and the Extended Mobile Coverage Program completed on 30 June 2003. The Local Government Program is scheduled to complete funding by 30 June 2004 and the BARN Program by 30 June 2005.

More reviews are planned for the 2003–04 financial year. In addition, the NTN Secretariat undertook site visits and compliance checks of 259 projects during the 2002–03 financial year.

Detailed financial investigations were undertaken by KPMG of a grantee in Victoria and one in South Australia. Discussions are continuing in regard to these projects with the Department's legal advisors and the South Australian Commissioner of Consumer and Business Affairs.

The Secretariat has also taken action to improve the quality of audited financial statements provided by grantees at the conclusion of funding. Incidences of sub-standard audits have been referred to the Australian Securities and Investment Commission.

As a result of reviews by the ANAO and consultants engaged by the Secretariat into the Secretariat's administration practices some further changes will be implemented for the 2003–04 financial year.

1.2 ANAO review

During the 2002–03 financial year the ANAO undertook performance audits of the DCITA administered NTN Program and the DOTARS administered RTC Program. Both Programs are funded through the proceeds from the Sale of Telstra equity and target rural, regional and remote Australia. The objectives of the audit were to provide an assurance to Parliament that:

- DCITA and DOTARS are administering discretionary telecommunications grant Programs, in particular the monitoring and evaluation of grant Programs, in a transparent and rigorous manner that reflects compliance with internal guidelines and best practice;
- the reporting and performance information that is available in relation to telecommunications grants provides sufficient accountability to meet the requirements of stakeholders; and
- DCITA has implemented the recommendations of *Audit Report No. 43, 1998–99, Networking the Nation*.

At the end of this financial year the ANAO had not yet finalised the Audit Report. It is expected the Report will be tabled in Parliament in late August 2003.

1.3 The NTN Board

An independent Board, appointed by the Commonwealth was responsible for all funding decisions. The Board was responsible for determining the activities and projects to be funded and that the funding falls within the overall State and Territory funding limits. The Minister was not involved in decisions on individual projects.

Board Members are:

- The Rt Hon Doug Anthony (Chair)
- Adjunct Professor Gerry Anderson, Information Technology and Business, University of Ballarat
- Mrs Lindsay MacDonald, a Queensland wool grower and telecommunications activist
- Ms Johanna Plante, Chief Executive Officer of the Australian Communications Industry Forum Limited
- Ms Eleanor Scholz, manager of a regional South Australian telecentre

The Board members term of appointment expire on 11 March 2004 and the Chair on 30 June 2004.



During the 2002–03 financial year, the Board members received the following Awards:

The Rt Hon Doug Anthony

- (1) Queen's Birthday Honours—Companion of the General Division (AC) for services to the Parliament and trade and leadership and dedication to rural communities.
- (2) Centenary Medal—to commemorate the Centenary of Federation and to honour the contribution made to Australian society and government.

Ms Johanna Plante

- (1) The Sir Ernest Fisk Award—The CommsWorld Telecomms Awards 2002 are the industry awards ceremony for Australia and New Zealand, with award categories selected to recognise the various aspects of the telecommunications industry. Ms Plante received this award for significant individual contribution to the telecommunications industry.
- (2) Centenary Medal—to commemorate the Centenary of Federation and to honour the contribution made to Australian society and government.

Professor Gerry Anderson

Centenary Medal—to commemorate the Centenary of Federation and to honour the contribution made to Australian society and government.

Mrs Lindsay MacDonald

- (1) Regional Australia Individual Award—for Outstanding Individual Contribution to the Development of ICT in Regional Australia.
- (2) Centenary Medal—to commemorate the Centenary of Federation and to honour the contribution made to Australian society and government.

1.4 Board meetings

The dates of Board meetings or teleconferences convened during 2002–03 were as follows:

- 2 August 2002 (teleconference)
- 13–14 November 2002 (minor funding meeting)
- 30 April 2003 (teleconference)
- 10 June 2003 (teleconference)

Only one face-to-face meeting was held during the 2002–03 financial year as a result of the need to wait until the Government's response to the Regional Telecommunications Inquiry was made public.

1.5 Board state visit and attendance at conferences

During the year the NTN Board members attended a number of project launches, regional conferences and other events including:

- Launch of the NSW Uki and Tyalgum Centres under the Community Technology Centre Program 7 November 2002
- Speaker at Conference of Public Internet Access Site Managers—Ballarat, 5–7 February 2003

- Launch of the QLD Kingaroy South Burnett IT Centre with visits to projects in Yarraman and Toowoomba.
- Launch of the Mackay Regionlink Portal, March 2003
- Launch of the QLD Prisons Access Project, Legal Aid, May 2003
- Speaker at '*Communities Working Together*' Conference in Ballarat, February 2003
- Three Board members attended the Australian Telecommunications User Group 2003 Canberra Regional Conference—*Bits and Bytes from Bruny Island to Broome—2020 Vision* in Canberra. 25–16 May 2003

1.6 Board approvals

In 2002–03 the Board approved \$4 691 033 in funding for 14 projects and ten variations to existing projects across Australia. A list of new projects and variations approved during 2002–03 is provided at *Annex C*, *Annex D* provides general statistics on applications by Program and by State and Territory for 2002–03, *Annex E* provides information on the Current Status of NTN Funds and *Annex F* lists the number of Active, Terminated and Acquitted Projects by State and Territory.

1.7 Project acquittals

As at 30 June 2003, there have been 390 projects acquitted, that is, all reports and payments have been finalised. In this financial year, 218 projects have been acquitted.

1.8 Consultancies

Over the year, a number of consultancies have been commissioned, to assist with various aspects of the Program. Details of consultancies are outlined in *Annex G*.

1.9 Promotion

During the year NTN was promoted through a range of events and activities including field visits by Board and Secretariat members, presentation to key conferences, media interviews and meetings with stakeholders. In addition, information kits containing fact sheets about the various aspects of the Program were updated and distributed, the website (www.dcta.gov.au/ntn) was updated, funding decisions were announced, and the toll free 1800 number was available for people interested in the Program.

2. EVALUATION

2.1 Purpose and scope

A revised strategy to evaluate the NTN Program was approved during the year. The strategy is based on the Australian National Audit Office's (ANAO) Better Practice Guide on Grants Administration (Evaluation section) and the Department of Finance and Administration's *Program Evaluation: A Guide for Program Managers*.

The purpose of the NTN Evaluation is to provide reliable and robust information on:

- the effectiveness and efficiency of the NTN Program in achieving the desired outputs and outcomes;
- the extent to which community needs have been met through the NTN Program; and the policy lessons learned from the Program; and
- assessment of the contributions made by NTN to regional telecommunications infrastructure and services.

The key components of the evaluation are:

- reporting and mapping of projects (where projects are located and what they have achieved) when this work is completed it will be accessible through the www.newconnections.gov.au website;
- the efficiency of Program administration. The outputs from the Program, eg number of mobile phone towers, computers, public internet access facilities, videoconferencing facilities etc. A first report (*Goods and Services made available by NTN projects to local communities as of 1 July 2002*) has been completed and made public. Funding recipients will complete a second questionnaire by August 2003 to provide additional data to Report on the overall contributions made by communities to the Program;
- the extent to which the Government's objectives have been achieved and other impacts of the NTN Program. A report is being prepared by the Department's Communications, Research Unit (CRU) and is expected to be delivered in December 2003; and
- identifying Program gaps and lessons learnt that will assist with future regional initiatives. This work will be completed when the Program funding has been completed.

2.2 Efficiency of program administration

The Program's administrative processes were reviewed by Origin Consulting in order to assess the efficiency and effectiveness of the administration of NTN against the principles set out in the ANAO *Best Practice Guide to Grants Management (May 2002)*. In addition, Walter Turnbull Associates reported on their assessment of the risk management practices of the Program. The Review has been completed and concludes that overall, NTN compares well against the ANAO standards.

The Review also noted there was scope for strengthening the monitoring guidance framework (including the development of a Monitoring Guide and standards for Case Managers); more directly monitoring project milestones; and better documentation of monitoring activity by staff. Relevant recommendations will be implemented by the Secretariat to ensure the monitoring of projects is effectively maintained.

3. PROGRAM ACHIEVEMENTS

Broadly, the NTN Programs have provided funding for projects that seek to improve access to telecommunications services for rural, regional and remote Australians, reduce disparities between metropolitan and country communities and support infrastructure provision.

Projects include:

- planning studies
- fixed communications links
- websites and portals
- software development
- training
- videoconferencing
- internet service providers and points of presence
- public Internet access facilities
- support/helpline and technical assistance
- awareness raising through demonstrations and visits to community, business, educational and individuals in remote locations
- online services—purchasing and information
- increased mobile telephony coverage

The first of a series of reports recording the *Goods and Services made available by NTN projects to local communities* was prepared this year.⁶ The highlights of the first report are:

- A total of around \$180 million had been allocated (as at 30 June 2002) to recipients from the specified NTN Programs, of which around \$133 million had been paid to the grantees as of 1 July 2002.
- Funding recipients have contributed a further \$84 million; 'other sources' eg users, local councils and community contributions have contributed a further \$49 million; hence the NTN Programs have been increased by more than 60 per cent.
- Public internet access facilities⁷ have been installed in more than 1 400 new locations and these have had over 610 000 users.
- NTN funding has supported the establishment of more than 111 websites/portals and these have been visited by people more than 27.5 million times.
- The project managers have indicated that NTN funded projects have created around 730 full time employment positions and 830 part time positions.

⁶ The data presented in this paper was obtained by emailing a questionnaire to the project manager of 600 individual projects. The response rate as at 15 November 2002 was 71 per cent, with the managers of 426 projects returning a completed questionnaire. The questionnaire was forwarded to Projects that had been completed but not those projects which did not have funding agreements in place.

⁷ Public internet access facilities includes computers and internet access funded in schools, libraries, Councils, telecentres and community facilities.

- Around 290 towns received local call dial-up access by the Internet service providers (ISPs) for the first time with the assistance of NTN funding. Local access to Internet Points of Presence are no longer funded due to the commercial offering of a product 'megapop' which provides Internet access at local call rates.
- Around 220 projects offered training and available usage figures indicate that more than 171 700 people were trained.
- A total of 229 mobile phone base stations and 55 repeaters have been supported through NTN permitting increased coverage for local residents, tourists, emergency and road services at a cost of over \$40 million.

A driving impetus within the NTN Program has been the focus on sustainable, needs driven projects that build demand within communities. Public internet access facilities funded under the NTN Program have been instrumental in building community awareness of the latest IT developments and providing a local venue for training and skills development and other support services.

The Joint Commonwealth/NSW Community Technology Centre Program received around \$9.55 million in funding to help establish and operate a target of 55 new Community Technology Centres (CTCs) throughout rural and regional NSW. The CTCs are promoting and providing Internet access and training to their local communities, as well as a range of business and government services, many of which have been brokered and supported by the NSW State Government's Office of Information Technology. These centres are delivering a strategic range of training and videoconferencing services in their communities to maximise the value they offer to local residents and visitors, while also bolstering the centres' own income streams and sustainability. The project targets towns of 3 000 people or less, although other locations are considered on their merits. As at the end of 2002, 53 CTCs covering 93 towns, had been funded through this project.

The Regional Connectivity Project administered by the University of Ballarat received funding of \$1 125 000 to establish fourteen public Internet access centres in Avoca, Ballan, Charlton, Clunes, Creswick, Dimboola, Donald, Hopetoun, Kaniva, Mortlake, Rainbow, St Arnaud, Warracknabeal, and Wycheeproof. They are equipped with public access computers connected to the Internet and overseen by skilled operators who provide guidance and training to users. Additionally, the State government similarly equipped six towns in the region (Ararat, Daylesford, Edenhope, Horsham, Minyip and Nhill). 156 115 users have been recorded across the sites, with numbers increasing over 2002–03.

The Southern Yorke Peninsula (SYP) community telecentre is an example of the high level of achievements by regional communities working in partnerships with other agencies and is contributing to the social and economic development of the region. The centre has recorded some 5 000 users, collaborated with Seniors On Line, written training material, negotiated an agency contract with the Australian Taxation Office, become the Centrelink agency for the area, is working with regional TAFE college and developed the regional portal website (www.yorkeregion.on.net).

An evaluation of the \$13 million investment by NTN and the Tasmanian State Government in the Tasmanian Online Access Centre network shows there has been considerable benefit to the Tasmanian economy in goods and services, skills, training and access to employment opportunities for users. In the past five years, the 64 centres have had over 50 000 people registered to use these centres for training, to access Government information and transactional services, conduct Internet banking or make online purchases.

The NTN Board also recognised that improved telecommunications infrastructure would be particularly important in enhancing health and education outcomes. The Board was therefore keen to support such projects as a means of reducing the disparity in access and services for Australians in regional and isolated areas.

The Adult Community and Further Education Board in Victoria received \$1 925 500 which has improved access to the Internet through an increase in the number of computer workstations, new network connections and associated equipment to 158 country Victorian Adult Community education funding recipients, mostly in smaller communities.

Funding was provided to the SA Department of Education, Training and Employment to trial satellite internet access for students of the School of the Air. The Internet lessons replaced lesson by HF radio. The trial proved to be very successful. The technology allows a 'whiteboard' to be used by both teacher and students and real-time sound and vision as well as improved sound quality. The project is providing improved access to education for children in remote Australia.

The Telehealth Tasmania Network was developed in late 1998 and with \$5.598 million in NTN funding has established 26 telehealth facilities through the State with the aim of:

- enhancing access by rural and regional communities to specialist health services in other centres
- improving local, community-based health care through the provision of telehealth facilities
- ensuring the telehealth facilities were sustainable in those communities

Developing relevant content and applications, and providing the framework for advanced services such as e-commerce have been targeted as important priorities by applicants to the Program. The Maleny Enterprise Network has developed a 'model' community portal which is owned by the community, who manage their own content, and operate an e-commerce payment gateway. This 'model' is proving to be successful and has benefited other projects—Mackay Regionlink, Beechmont and the Western Subregional Organisation of Councils project.

Access to videoconferencing facilities has proven to be an important component of the NTN Program and the Board has recognised the impact that videoconferencing, as a vital tool for communication, can have on the lives of rural and remote families. For example videoconferencing facilities provided by NTN are allowing Queenslanders living in rural and regional areas to stay in touch with family members in correctional and youth detention centres. Where face to face visits would be difficult due to the cost and time involved in travel, the Prison Access project is helping friends and families to stay in contact. This project is based on the expectation that those who are in custody but maintain close links with their family and have a strong support network are less likely to re-offend.

A number of NTN funded projects have received awards, some of which include:

- Albany GateWAY project—12th Western Australian Information Technology and Telecommunications Award 2002
- Community Technology Centres Program—2002 NSW Premier's Silver Award for Services to Regional/Rural NSW

In 1999, the NTN Board was also given responsibility for approving grant applications under the Local Government Program. This distinct activity aimed to assist Councils to make the transition to an online services environment by funding the development of appropriate, innovative systems and applications, and relevant business skills. Collaboration among Councils and compatibility of systems have been strongly encouraged and supported in this approach. Councils should also realise productivity gains through these initiatives.

ANNEX A

NETWORKING THE NATION BOARD TERMS OF REFERENCE

The NTN Board's primary role is to approve the allocation to projects of funds held in the Regional Telecommunications Infrastructure Program in accordance with guidelines approved by the Minister. Once the Board has made its decision, the Department of Communications, Information Technology and the Arts will arrange for payments to applicants, subject to appropriate contractual arrangements.

The Board's decisions on the allocation of funds to projects will not require Ministerial endorsement.

The other roles of the Board are:

- to develop guidelines for the Minister's approval which set out the criteria against which projects will be assessed and selected for funding;
- consider submissions made to the Board by state and territory governments (at the invitation of the Minister) in determining a strategy for NTN funding for each State/Territory;
- make recommendations to the Minister for Communications, Information Technology and the Arts on policy issues that may arise through the process of fund allocation;
- participate in the development, promotion and evaluation of the Programs; and
- present annual reports on the operations of the Programs (see below).

Responsibilities of the Board members

Members have a responsibility:

- to consider each project application on its own merits in accordance with the guidelines as assessed against the selection criteria and to be fair and unbiased; and
- to identify where there may be a conflict of interest.

Accountability

Administration of the Programs will be subject to the normal processes of review of Departmental Estimates by the Senate Legislation Committee. The Programs will be audited by the Auditor-General. For each year of the Programs' five-year life the Board will present and the Minister will arrange for tabling in Parliament, an annual report on the operations of the Program. The report will include financial statements prepared in accordance with guidelines issued by the Minister for Finance and audit reports by the Auditor-General.

The Board will be expected by the general public, applicants, Parliament and key stakeholders to provide a justification for its funding decisions. The Board will need to determine to what extent this information will be made publicly available while at the same time respecting commercial and applicant confidentiality. Documents would be subject to normal provisions relating to documents held in the Department of Communications, Information Technology and the Arts such as the FOI and Privacy Acts.

General

The Board will perform these functions in accordance with any guidelines, conflict of interest codes of conduct or meeting procedures in force from time to time.

ANNEX B

History of the Networking the Nation program

Funding

The objective of the Networking the Nation (NTN) program was to assist the economic and social development of rural Australia by funding projects which:

- enhance telecommunications infrastructure and services;
- increase access to, and promote use of, services available through telecommunications networks; and
- reduce disparities between urban and non-urban areas in access to such services and facilities.

The Program was initially allocated a total of \$250 million from the sale of the first tranche of shares in Telstra. This funding became known as the General Program. The \$250 million was apportioned so that the share each State received was in direct relation to the proportion of that State's population that resided outside the State's capital city.

In 1999 the Government announced an increase of \$174 million in NTN funding from the Social Bonus resulting from the sale of a further 16 per cent of Telstra. Of this:

- \$70 million was allocated to the Building Additional Rural Networks (BARN) initiative;
- \$45 million was allocated to the Local Government Program to assist local government authorities in regional Australia to provide online access to information and services including the Internet;
- \$36 million was allocated to the Internet Access Program to stimulate Internet service delivery in regional and rural Australia;
- \$20 million was allocated to the Remote and Isolated Island Program to improve telecommunications access for these communities; and
- \$3 million was allocated for extended mobile telephone coverage—\$1 million each in WA, SA and Tasmania.

A small administrative component deducted from the total allocations was used for the support of the NTN Board and Secretariat.

In the case of the Rural Internet Access Program, arrangements changed because a commercial offering from Telstra delivered the outcomes the Program was aiming to achieve. Consequently, in the 2001–02 Budget, the Government announced that it would reallocate funds to fund telecommunications and internet initiatives as part of the Government's response to the Telecommunications Service Inquiry. A total of \$21 million was reallocated, \$15 million of the original funding was allocated to the National Communications Fund and \$6 million of the original funding was allocated to the Internet Assistance Program—a joint venture with Telstra to provide better quality and faster access to dial-up Internet services. In the 2002–03 Budget the unspent residual funds were declared as savings.

In the case of the BARN Program, the uncommitted funds (totalling \$35 million in June 2003) were redirected to the National Broadband Strategy as part of the Government's response to the Estens Report.

The General Fund Program, the Internet Access Program, and the Remote and Isolated Islands Program were conceived with finite funding periods. In all three cases funding was to conclude by 30 June 2003 (and in the case of the last two Programs this date was prescribed in legislation). In the course of the 2003–04 Budget, the Government approved a 12 months extension to the life of the General Fund Program, as a precaution against projects not being completed by the 30 June 2003 sunset date.

The NTN Secretariat

The NTN secretariat was provided by the Commonwealth Department of Communications, Information Technology and the Arts.

The Secretariat provided advice and guidance to applicants developing proposals, assisted the Board by assessing applications, administered the deeds of agreement, monitored the progress of funded projects, and acquitted all funding agreements. Secretariat staff also promoted the Program and discussed with interested parties the aims and potential benefits of the Program to their communities.

General processes

The NTN Programs operated under guidelines approved by the Minister for Communications, Information Technology and the Arts. In addition to the guidelines, the NTN Board issued fact sheets describing its funding priorities, determined after the Board's consideration of the Program guidelines and based on its experience with the Program. Applicants were able to access full information about the Program online, including Program guidelines and fact sheets.

In 2000, NTN introduced an online grants application and project management facility. This enabled applicants to complete a registration form, to have their eligibility confirmed by the Secretariat, and then proceed to submit their application all online via a unique identifier and password. If applicants did not have Internet access, the Secretariat provided application forms and other material on floppy disk. Applicants without access to a computer were provided with a hard copy application form and hard copies of other material.

State Advisory Group/State contacts

Each State, the Northern Territory and the Australian Capital Territory established an Advisory Group to assist the Board in its deliberations. These groups met before each Board meeting and provided information and advice on applications in relation to State policies and priorities for telecommunications and information technology. The State Advisory Groups provided valuable advice to the Board, although final decision making resided with the Board.

In addition to the State Advisory Groups, each State, the Northern Territory and the Australian Capital Territory had a NTN Coordinator to provide a point of contact for applicants and prospective applicants within that State/Territory.

Other sources of advice

Where necessary, technical and financial consultants were utilised to provide analysis of more complex applications. This analysis formed part of the Board's assessment.

Relevant Commonwealth Government departments and agencies (Department of Transport and Regional Services (DOTARS), Office of Aboriginal and Torres Strait Islander Health, Department of Health and Aging (DHA) and the Aboriginal and Torres Strait Island Commission (ATSIC) were also consulted as appropriate by the Secretariat. They provided a source of advice on the merits of project applications, provisions of financial and technical advice and other sources of Commonwealth funding and expertise.

The NTN Secretariat liaised with DOTARS to avoid duplication with the Rural Transaction Centre (RTC) and Regional Solutions Programs and to maximise opportunities for community projects to work together to achieve the most effective outcomes.

NTN provided DOTARS with a copy of all relevant applications for funding. DOTARS had the opportunity to comment on whether the proposed project would duplicate funded or proposed projects (through either RTC or Regional Solutions) and to identify opportunities for projects to work together to achieve better outcomes for the community. Conversely, DOTARS provides all relevant applications for funding to allow NTN to comment on RTC and Regional Solutions applications.

ANNEX C

New Projects approved by the NTN Board in 2002–03

Project Code	Applicant	Project	Location	Description	Funds
NT2002/080	Department of Corporate and Information Services	Remote Community Solutions	Lingiari—NT	Development of optimal solutions for delivery of and access to online services for remote, particularly indigenous, communities through evaluating existing models	\$80,000
WA2001/144	Ngaanyatjarra Council (Aboriginal Corporation)	Networking the Ngaanyatjarra Lands Roll Out and Support Services	Kalgoorlie—WA	Provision of UHF radio services across the Ngaanyatjarra Lands at settlements and major roads	\$832,434
WA2002/164	WA Telecentre Support Unit	Telecentres in Remote Indigenous Communities in Western Australia	Canning, Forrest, Kalgoorlie, O'Connor—WA	Provision of 10 telecentres for small Indigenous communities to provide enhanced access to telecommunications infrastructure, services and support	\$250,000
QLD2002/426	Gayndah Kindergarten Association Incorporated	Information Technology for the Gayndah Kindergarten	Wide Bay—QLD	Provision of a public Internet access facility located at the Gayndah Kindergarten	\$20,000
QLD2002/428	Kowanyama Aboriginal Council	Kowanyama Information Network (KIN)	Leichhardt—QLD	Installation of a network of computer kiosks in the Kowanyama community	\$66,000
QLD2002/432	Cloncurry Curfew & Youth Action Association	Networking Cloncurry Youth and Community	Kennedy—QLD	Establishment of a public internet access facility in Cloncurry. The Facility will be used to provide internet and online training to the mostly Indigenous community in the area	\$145,000
QLD2002/433	Aboriginal Corporation of West Coast Cape York Peninsula Traditional Land Owners	West Coast Cape York TLO Project	Leichhardt—QLD	Establishment of a website and intranet for the hosting organisation including public internet access facilities	\$65,000
QLD2003/434	Perry Shire Council	Mt Perry Mobile Phone Project	Wide Bay	Provision of a mobile phone service for the community of Mt Perry and the surrounding region	\$135,000
TAS2002/381	Cape Barren Island Aboriginal Association Inc	Satellite Service to Cape Barren Island OAC	Bass—Tasmania	Establishment of a 2-way satellite service for the existing NTN-funded telecentre	\$16,904
MST2002/165	Community Teleservices Australia Inc	Community Teleservices Australia Inc (CTSA) Extension Project	National	Update of the CTSA database of telecentres across Australia	\$10,000
EXT2002/026	Norfolk Island Government	Norfolk Island Telecommunications Infrastructure	Norfolk Island	Replacement of the Island's telecommunications billing system, to establish an optic fibre backbone, a wide internet network and to upgrade the customer access network	\$774,075

New Projects approved by the NTN Board in 2002–03 (continued)

Project Code	Applicant	Project	Location	Description	Funds
VIC2002/309	Ballarat University	Working Together Conference	Ballarat—Victoria	A two day conference of operators who are overseeing public internet access sites funded by NTN in rural Victoria, to be held at Ballarat University during the first week in February 2003. The purpose of the conference is to improve sustainability of the sites; and further develop IT education, income earning capacity and IT performance for businesses in rural Victoria	\$65,000
SA2002/270	SA Department of Industry and Trade	SA Telecentre Co-ordination Conference	Barker, Mayo, Wakefield, Grey—South Australia	NTN Assistance with a State Conference for over 30 telecentre coordinators in South Australia	\$3,000
SA2002/267	Extended Regional SA Mobile Telephone Coverage	Extended Regional CDMA Mobile Telephony Coverage	Gray	Construction of 4 mobile phone towers at Smoky Bay, Arno Bay, Blyth and Bow Hill	\$954,000
14 NEW PROJECTS FUNDED IN 2002–03				TOTAL PROJECT FUNDING COMMITTED IN 2002–03	\$3,336,413

Project variations (includes top-ups) approved 2002–03

Project Code	Title	Project	Location	Project Description	Amount
Nov 02 QLD2001/288	Queensland Rural Women's Network Inc	QRWN BridgIT2	Blair, Capricornia, Dawson, Groom, Hinkler, Kennedy, Leichhardt, Maranoa, Wide Bay—Qld	Provision of additional funding to support the existing QRWN training project for residents in regional, rural and remote areas of Qld	\$134,600
WA1997/008	WA Dept of Local Govt and Regional Development	WA Telecentre Network Extension and Prototype Modular Interactive Technology Environment (MITE)	Brand, Canning, Forrest, Kalgoorlie, O'Connor, Pearce—WA	Provision of improved internet access for up to 100 telecentres in WA	\$250,000
QLD2002/381/429	Balkanu, Cape York Development Corporation	Outstation Telephones	Leichhardt—Qld	Increase of entitlements and provision of additional funding to bridge the affordability gap for obtaining fixed phone services	\$9,620
TAS2000/136	Cape Barren Island Aboriginal Association Inc	Tasmanian Aboriginal Centre	Bass—Tasmania	Additional funding to establish a microwave network to support the telehealth service for Cape Barren and Clarke Islands	\$277,900
SA2002/254	Burra Community Development Program Inc	Burra Telecentre	Grey—South Australia	Additional funding for the Burra telecentre to become operational in January 2003 to employ an assistant	\$25,000

Project variations (includes top-ups) approved 2002–03 (continued)

Project Code	Title	Project Description			Amount
Apr 03 QLD1998/133	Mackay Tourism and Development Bureau	Mackay RegionLink	Capricornia – Dawson	Mackay RegionLink has established a regional portal, a number of internet access centres throughout the region and training and technical support services. TopUp Funding of \$50 000 included in funding amount for promotion and development of the portal	\$50,000
SA2002/252	Riverland Domestic Violence Unit Inc	Phoenix Network	Wakefield	Establishment of a PC-based Videoconferencing Network in nine Riverland and Mallee Region communities to enable victims of domestic violence to seek access to counselling and obtain information. TopUp funding was provided to upgrade four computers at the Unit's base	\$7,600
Jun 03 MST2001/143	Pitjantjatjara Yankunytjatjara Media	PYCom (Pitjantjatjara Yankunytjatjara Communications)	Grey, Lingiari	Top-up funding was provided for public Internet access, video conferencing, training and mobile radio services across the Anangu Pitjantjatjara lands (Top-up)	\$150,000
EXT2000/010	Christmas Island Administration	Stand Alone Mobile Phone Network on Christmas Island	Lingiari	Stand Alone Mobile Phone Network on Christmas Island (Variation)	\$124,000
VIC2001/283	Skills.net Association Co-op Ltd	Boot Up Your Business	Ballarat, Bendigo, Burke, Calwell, Casey, Corangamite, Corio, Flinders, Gippsland, Indi, Lalor, Latrobe, Mallee, McEwen, Murray, Wannon	This project is developing and implementing a statewide e-commerce training program for SMEs. (Top-up)	\$50,000
10 VARIATIONS TO PREVIOUSLY APPROVED PROJECTS (INCLUDES TOPUPS)			TOTAL FUNDING FOR VARIATIONS TO PROJECTS		\$1,078,720
TOTAL PROJECT COMMITMENTS			NEW PROJECTS AND VARIATIONS TO PROJECTS		\$4,415,133

ANNEX D

Applications received, projects approved and varied by State and Territory, 2002–03

	Total no. of applications considered by the NTN Board in 2002–03 excluding variations to previously approved projects)	Projects approved by the Board for each State or Territory (excluding variations to previously approved projects)	Total no. of variations considered by the NTN Board	Total no of variations approved by the NTN Board
ACT	NIL	NIL	NIL	NIL
NSW	NIL	NIL	NIL	NIL
NT	4	1	NIL	NIL
QLD	4	5	6	3
SA	11	2	2	2
TAS	1	1	2	1
VIC	1	1	1	1
WA	2	3	3	1
Multistate — Remote Islands	1	1	3	1
National	NIL	NIL	NIL	NIL
External Territories	1	NIL	1	1
TOTAL	25	14	18	10

ANNEX E

Current status of NTN funds⁴

	General Fund	Local Government Fund	Total
ACT	NIL	NIL	NIL
NSW	\$123,849	NIL	\$123,849
NT	\$305,519	NIL	\$305,519
Q'LD	\$308,651	NIL	\$308,651
SA	\$58,377	\$15,334	\$73,711
TAS	\$40,677	\$169,728	\$210,405
VIC	\$8,698	NIL	\$8,698
WA	\$101,484	NIL	\$101,484
Territories		\$755	\$755
National		\$364,065	\$364,065
TOTAL	\$947,255	\$549,886	\$1,497,137

⁴ Note: all funding from the Extended Mobile Phone Coverage Program, Remote and Isolated Island Fund and the Internet Access Fund has been completed. As part of the Government's response to the Regional Telecommunications Inquiry, the uncommitted BARN funds have been redirected to the Higher Bandwidth Incentive Scheme and other aspects of the National Broadband Strategy. The Current Status of the BARN Fund still has to be reconciled.

ANNEX F

	Projects Approved (includes terminated projects)	Terminated/ Withdrawn/did not proceed/ after Board approval/or merged	Projects Implemented	Projects acquitted	Active Projects
National	20	5	15	6	9
ACT	4	0	4	2	2
NSW	135	5	130	84	46
NT	26	1	25	8	17
QLD	150	6	144	78	66
SA	92	5	87	49	38
Vic	92	4	88	36	52
WA	53	3	50	25	25
Tas	188	4	184	90	94
Multi-State	27	3	24	11	13
External Territories	13	1	12	1	11
TOTAL	800	37	763	390	373

ANNEX G

Consultants engaged by the Department of Communications, Information Technology and the Arts in 2001–02.

They were two new consultants employed by Networking the Nation in the period 1 July 2002 to 30 June 2003.

The requirements for the employment of consultants is as follows:

Justification (only required if contract was let to the value of \$10 000 or more)

Select one of the following for each entry:

- (a) Departmental staff with the specialised skills or knowledge needed to perform the task were not available within the required time frame.
- (b) There were no staff within the Department with the specialised skills or knowledge needed to perform the task.
- (c) Independent advice was required.

Selection process used (only required if contract was let to the value of \$10 000 or more)

Select one of the following for each entry:

- (1A) Selective tender (a number of firms were invited to quote/ tender).
- (1B) Direct engagement (only one firm was invited to quote/ tender).
- (1C) Public tenders invited (advertised in the Gazette on the Government Advertising website).

Other matters

* An estimated amount added for Goods and Services Tax.

The following is a list of Consultants engaged by the Department of Communications, Information Technology and the Arts for NTN last financial year as well as in previous financial years but still under engagement during 2001–02 in the period: 1 July 2001 to 30 June 2002.

NETWORKING THE NATION

SECTION A

DCON/03/73	Wise Lord & Ferguson— ABN 23 563 132 864	Conduct an evaluation of the performance of the Tasmanian Electronic Commerce Centre	\$31,000.00 (\$31,000.00)	Sole
DCON/02/109	Stay Tuned Productions Pty Ltd t/as Origin Consulting ACT—ABN 79 069 059 543	Conduct a review of the Networking the Nation program	\$62,450.00 (\$62,450.00)	Open C
DCON/03/18a	Wise Lord & Ferguson— ABN 23 563 132 864	Conduct audit reviews of four networking the nation projects	\$10,000.00 (\$10,731.49)	Restricted C

SECTION B

TBA	PriceWaterhouseCoopers	Provide financial advice for the Networking the Nation Applications	\$41,329.00 (o)	Restricted C
TBA	Purdon Associates Pty Ltd, Performance Improvements and Campbell Planning & Design Consortium	Assist the Secretariat of the "Regional Telecommunications Infrastructure Fund" with the development and evaluation of the "Networking the Nation" program	\$750,000.00 (o)	Open B
99/1813	Wizard Information Services Pty Ltd	Provide continuing maintenance and development of the Networking the Nation Branch's electronic data networking requirements, to facilitate the management and evaluation of grants	\$150,000.00 (\$1,244.00)	Restricted A
2000/1938	KPMG	Audit NTN Procedures Manual—NTN Project Audits	\$38,487.87 (\$38,487.87)	Restricted C

Financial statements

Financial performance

The financial statements included in this Annual Report provide detailed information on the Department's financial results for 2002–03 and its financial position at 30 June 2003.

The following summarises significant issues in the financial statements. The 2002–03 year is the fourth under the Government's accrual budgeting framework.

Departmental financial performance

The Department recorded a net surplus of \$43.5 million for the year (before payment of Capital User Charge (CUC) of \$33.8 million). This compared with a surplus of \$1.1 million in the 2001–02 financial year. The major reason for this increase in surplus, when compared to 2001–02, was the recognition of \$34.9 million asset write-downs in 2001–02.

Departmental revenues decreased by \$15.6 million from \$190.3 million in 2001–02 to \$174.5 million in 2002–03 and expenses decreased by \$58.4 million from \$189.1 million in 2001–02 to \$130.7 million in 2002–03—a major contributor being the restructuring transfers between the Department and the National Office for the Information Economy (NOIE) that took place on 1 July 2002. In addition, 2001–02 expenses included a \$34.9 million write-down of assets (mainly Heritage) in the Operational Groups of ScreenSound Australia and Questacon.

In comparing the budgeted net surplus of \$32.5 million published in the Portfolio Additional Estimates Statements (PAES), the Department's actual net surplus of \$43.5 million was predominantly related to commitments for 2003–04.

Departmental financial position

Total Assets increased by \$6.5 million from \$341.2 million in 2001–02 to \$347.7 million in 2002–03, mainly the result of an increase in cash and receivables.

Total Liabilities increased by \$1.4 million from \$26.9 million in 2001–02 to \$28.4 million in 2002–03, mainly the result of an increase in employee provisions.

Total Equity increased by \$5.1 million from \$314.2 million to \$319.3 million the result of:

- a decrease in Contributed Equity of \$4.3 million the result of restructuring transfers between the Department and NOIE, a refund of prior years CUC from the Department of Finance and Administration (Finance) and a return to Finance of ABIS Interest associated with prior years (refer note 11A & B); and
- an increase in Retained Surpluses of \$9.704 million, primarily the result of the recorded 2002–03 surplus after CUC payment.

The actual Assets and Liabilities for 2002–03 differed from the published PAES mainly in the areas of Financial Assets, where the actual outcome of \$57.1 million differed from the estimate of \$40.8 million, and in Equity where the actual outcome of \$319.3 million differed from the estimate of \$307.7 million, both contributed to by the surplus (after CUC) recorded in 2002–03.

Departmental cash flow

Cash at 30 June 2003 represents unspent revenue (appropriations and other revenue), provisions, payables, revenue received in advance, delayed program and accommodation expenses, delayed capital purchases and refund of CUC.

These items explain the major variance to the budgeted Cash Flow Statement included in the PAES.

In accordance with Australian Accounting Standards, UIG 31 pronouncement Operating Cash Flow figures have been grossed up to include goods and services tax (GST).

Administered statements

The reporting of Administered items in 2002–03 is by way of primary statements rather than notes as in 2001–02. This is as per the Finance Ministers Orders 2002–03.

Revenues and expenses administered on behalf of Government

Summary of major revenue variances between 2001–02 and 2002–03 include:

- Telstra dividend revenue increased from \$1,418.2 million to \$1,676.0 million, and Australia Post dividend revenue decreased from \$368.0 million to \$314.0 million due to decreased dividends being paid to shareholders; and
- Universal Service Obligation Levy revenue decreased from to \$67.6 million to \$62.9 million.

Summary of major expense variances between 2001–02 and 2002–03 include:

- a decrease in Federation fund grants from \$65.4 million to \$31.8 million, decrease in Building on IT Strengths grants from \$64.6 million to \$24.8 million and Untimed Local Calls payments from \$80.0 million to \$25.5 million due to these programs winding down in 2002–03; and
- an increase in grants associated with Foot and Mouth Prevention from \$5.9 million to \$21.2 million and Telecommunications Service Inquiry Implementation from \$8.8 million to \$29.7 million due to these programs building in 2002–03.

The budgeted Administered Financial Performance published in the PAES exclude values for Telstra and Australia Post dividends in accordance with budget estimate arrangements.

Assets and liabilities administered on behalf of Government

Financial Assets—Summary of major variances between the value in 2001–02 of \$6 977.8 million and 2002–03 of \$6 994.9 million include:

- an increase in the holding of Investments of Portfolio Agencies of \$59.1 million; and
- a decrease in Investments of Special Accounts (Untimed Local Calls) of \$37.7 million.

Non-Financial Assets—Summary of major variances between 2001–02 and 2002–03 include:

- Land and Buildings have decreased from \$62.5 million in 2001–02 to \$46.1 million in 2002–03 —the result of \$9.275 million of assets associated with the National Museum of Australia being transferred to the National Capital Authority and \$12.5 million of depreciation associated with the National Institute of Drama and Arts Building; and

- Heritage and Cultural assets which were previously recognised in 2001–02 in a number of categories have been separately disclosed in 2002–03 with a value of \$35.8 million. This is in accordance with the Finance Ministers Orders 2002–03.

The budgeted Administered Financial Position published in the PAES excludes values for Telstra and Australia Post investments in accordance with budget estimate arrangements.

Administered cash flows

Cash flows include transfers to and from the Official Public Account (OPA) maintained by Finance. The Department draws cash from the OPA to cover payments as they fall due, and as such the Department holds minimal cash balances reflecting timing variances.

In accordance with Australian Accounting Standards, UIG 31 pronouncement Operating Cash Flow figures have been grossed up to include GST.



INDEPENDENT AUDIT REPORT

To the Minister for Communications Information Technology and the Arts

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of Communications Information Technology and the Arts for the year ended 30 June 2003 included on the Department of Communications Information Technology and the Arts' web site. The Secretary of the Department of Communications Information Technology and the Arts is responsible for the integrity of the Department of Communications Information Technology and the Arts' web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report. If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

I have audited the financial statements of Department of Communications Information Technology and the Arts for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Departmental Secretary and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Department of Communications Information Technology and the Arts' Secretary is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department of Communications Information Technology and the Arts' financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of Department of Communications Information Technology and the Arts as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Richard Rundle

Richard Rundle
Executive Director

Delegate of the Auditor-General

Canberra
28 August 2003



Australian Government
Department of Communications,
Information Technology and the Arts

**DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY
AND THE ARTS (DCITA)**

2002-2003 FINANCIAL STATEMENTS

**STATEMENT BY THE DEPARTMENTAL SECRETARY
AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2003 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

Signed: *Helen Williams*
Signed: *Jennifer Gale*

Helen Williams AO
Secretary

28 August 2003

Jennifer Gale FCPA
Chief Financial Officer

25 August 2003

Department of Communications, Information Technology and the Arts
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenues from ordinary activities			
Revenues from Government	3A	148,134	148,451
Sales of goods and services	3B	14,484	23,032
Interest	3C	1,114	1,744
Revenue from disposal of assets	3D	54	26
Other	3E	10,713	17,001
<i>Revenues from ordinary activities</i>		174,499	190,254
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	60,745	57,376
Suppliers	4B	44,073	60,021
Depreciation and amortisation	4C	16,320	14,297
Write-down of assets	4D	41	34,897
Grants	4E	8,283	18,440
Value of assets disposed	3D	697	3,559
Other	4F	588	530
<i>Expenses from ordinary activities (excluding borrowing cost expense)</i>		130,747	189,120
Borrowing costs expense	5	238	10
Net surplus/(deficit)		43,514	1,124
Net credit/(debit) to asset revaluation reserve		-	67,864
Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity		-	67,864
Total changes in equity other than those resulting from transactions with owners as owners		43,514	68,988

The above statement should be read in conjunction with the accompanying notes.

Department of Communications, Information Technology and the Arts
STATEMENT OF FINANCIAL POSITION
as at 30 June 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Financial assets			
Cash	6A	28,424	17,642
Receivables	6B	28,572	11,675
Investments	6C	-	20,813
Accrued revenues	6D	136	793
Other financial assets	6E	-	10
<i>Total financial assets</i>		57,132	50,933
Non-financial assets			
Land and buildings	7A	54,302	53,802
Infrastructure, plant and equipment	7B	24,621	24,871
Heritage and cultural assets	7C	205,191	205,048
Inventories	7F	739	2,879
Intangibles	7D	1,694	3,039
Other	7G	4,064	667
<i>Total non-financial assets</i>		290,611	290,306
TOTAL ASSETS		347,743	341,239
LIABILITIES			
Interest bearing liabilities			
Leases	8	53	75
<i>Total interest bearing liabilities</i>		53	75
Provisions			
Capital Use Charge	9A	-	-
Employees	9B	17,994	16,830
<i>Total provisions</i>		17,994	16,830
Payables			
Suppliers	10A	1,829	3,699
Other	10B	8,547	6,388
<i>Total payables</i>		10,376	10,087
TOTAL LIABILITIES		28,423	26,992
NET ASSETS		319,320	314,247
EQUITY			
Contributed equity	11A	57,067	61,405
Reserves	11A	82,549	82,842
Retained surpluses/(Accumulated deficits)	11A	179,704	170,000
<i>TOTAL EQUITY</i>		319,320	314,247
Current assets		61,935	53,812
Non-current assets		285,808	287,427
Current liabilities		19,654	24,761
Non-current liabilities		8,769	2,231

The above statement should be read in conjunction with the accompanying notes.

Department of Communications, Information Technology and the Arts
STATEMENT OF CASH FLOWS
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
OPERATING ACTIVITIES			
Cash received			
Sales of goods and services			
Government		2,008	10,251
Non-government		14,206	12,782
Appropriations		147,752	148,098
Interest		1,036	1,747
Grant receipts and sponsorships		295	6,989
GST received from ATO		4,349	19
Other		11,357	9,029
<i>Total cash received</i>	<i>12</i>	<i>181,003</i>	<i>188,915</i>
Cash used			
Employees		(59,783)	(56,770)
Suppliers		(53,374)	(66,076)
Grants		(9,129)	(19,524)
Cash transfers to the OPA		(24,152)	-
GST refunds/payments on investing activities		(59)	-
GST paid to ATO		(70)	-
Other		(768)	(921)
<i>Total cash used</i>	<i>(147,335)</i>	<i>(143,291)</i>	<i>(143,291)</i>
Net cash from/(used by) operating activities	12	33,668	45,624
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant, equipment and intangibles		54	26
Repayment of advance funding National Museum project		213	240
Other		2,013	180
<i>Total cash received</i>	<i>2,280</i>	<i>446</i>	<i>446</i>
Cash used			
Purchase of property, plant, equipment and intangibles		(11,365)	(9,657)
Purchase of term deposits		(214)	(300)
<i>Total cash used</i>	<i>(11,579)</i>	<i>(9,957)</i>	<i>(9,957)</i>
Net cash from/(used by) investing activities	(9,299)	(9,511)	(9,511)
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		1,279	13,126
Restructuring - transfer in Info Access		-	2,877
Restructuring - transfer in Sports Branch		-	429
<i>Total cash received</i>	<i>1,279</i>	<i>16,432</i>	<i>16,432</i>
Cash used			
Restructuring - transfer out of NOIE		-	(3,692)
Repayments of debt		(22)	(20)
Capital Use Charge paid		(33,844)	(29,658)
<i>Total cash used</i>	<i>(33,866)</i>	<i>(33,370)</i>	<i>(33,370)</i>
Net cash from/(used by) financing activities	(32,587)	(16,938)	(16,938)
Net increase/(decrease) in cash held		(8,218)	19,175
Cash at the beginning of the reporting period		36,642	17,467
Cash at the end of the reporting period (1)	6A	28,424	36,642

(1) Cash at the end of the reporting period includes the >7 days component of investments.

The above statement should be read in conjunction with the accompanying notes.

Department of Communications, Information Technology and the Arts
SCHEDULE OF COMMITMENTS
as at 30 June 2003

	2003 \$'000	2002 \$'000
BY TYPE		
Capital Commitments		
Land and buildings	1,218	42
Infrastructure, plant and equipment	2,088	2,646
Other capital commitments	39	749
Total capital commitments	3,345	3,437
Other Commitments		
Operating leases ⁽¹⁾	26,258	31,416
Project commitments ⁽²⁾	9,871	4,200
Research and development ⁽³⁾	127	1,238
Other commitments ⁽⁴⁾	5,836	24,908
Total other commitments	42,092	61,762
Commitments Receivable		
National Science and Technology Centre sponsorship	(184)	(1,033)
ScreenSound	(349)	(267)
Old Parliament House service contracts	(1,226)	(314)
GST receivable	(3,534)	(27)
Other	(298)	(157)
Total commitments receivable	(5,591)	(1,798)
Net commitments	39,846	63,401
BY MATURITY		
All net commitments		
One year or less	20,912	29,510
From one to five years	17,640	33,408
Over five years	1,294	483
Net commitments	39,846	63,401
Operating lease commitments		
One year or less	7,106	8,974
From one to five years	17,728	21,959
Over five years	1,424	483
Operating lease commitments by maturity	26,258	31,416
Capital commitments		
One year or less	3,002	3,437
From one to five years	344	-
Over five years	-	-
Capital commitments by maturity	3,346	3,437

NB: Commitments are GST inclusive where relevant.

The above statement should be read in conjunction with the accompanying notes.

Department of Communications, Information Technology and the Arts
SCHEDULE OF COMMITMENTS *Continued*
as at 30 June 2003

(1) The main operating leases include the following:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	<p><i>Main office accommodation</i> Lease payments at 38 Sydney Avenue are subject to bi-annual reviews and is adjusted to reflect current market rates. The initial term for the office accommodation expires on 21 November 2007. Two further terms, each of 5 years, are able to be renewed at the Department's discretion following an assessment of its accommodation requirements and current market rates.</p> <p><i>SSA Melbourne accommodation</i> Lease payments are subject to market review every three years. The initial periods of office accommodation leases are still current and may be renewed for up to five years at ScreenSound Australia's option, following a once-off adjustment of rentals to current market levels.</p>
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the Department.
Leases in relation to computer equipment	The lessor provides computer equipment designated as necessary in the supply contract for a period of three years. The lease will continue to operate until such time as the written notice is provided to the lessor or, if terminated without notice, may be subject to a penalty of one to three months' rental. The initial equipment has an average a useful life of three years from the commencement of the contract. Additional equipment may be leased at a higher rate for a reduced period to coincide with the initial end of lease date.

- (2) Project commitments include the Software Engineering project.
- (3) Research and development largely comprise of Industry research commitments.
- (4) Other commitments largely comprise of Corporate Administration contracts.

SCHEDULE OF CONTINGENCIES
as at 30 June 2003

	2003 \$'000	2002 \$'000
Contingent Liabilities		
Claims for damages/costs	-	-
Make good provision - leases	450	-
Total contingent losses	450	-
 Contingent Assets		
Other	-	-
Net contingent liabilities	450	-

Details of each class of contingent liabilities and assets, including those not included above because they can not be quantified or considered remote, are disclosed in Note 13: Contingent Liabilities and Assets.

There are no remote contingencies as at 30 June 2003 (30 June 2002: Nil)

Department of Communications, Information Technology and the Arts
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2,003 \$'000	2,002 \$'000
Revenues Administered on Behalf of Government			
for the year ended 30 June 2003			
Non-taxation revenue			
Interest	19	3,736	4,681
Dividends	19	1,990,014	1,786,166
Other sources of non-taxation revenue	19	135,842	122,308
<i>Total Revenues Administered on Behalf of Government</i>		2,129,592	1,913,155
Expenses Administered on Behalf of Government			
for the year ended 30 June 2003			
Grants	20	287,227	324,233
Subsidies	20	17,834	5,585
Suppliers	20	586	8,032
Depreciation and amortisation	20	12,874	4,521
Write-down and impairment of assets	20	9,274	100
Other expenses	20	126,324	184,313
<i>Total Expenses Administered on Behalf of Government</i>		454,119	526,784

This schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2,003 \$'000	2,002 \$'000
Assets Administered on Behalf of Government			
as at 30 June 2003			
Financial assets			
Cash	21	334	524
Receivables	21	5,528	9,149
Investments	21	6,989,114	6,967,695
Other financial assets	21	-	436
Total financial assets		6,994,976	6,977,804
Non-financial assets			
Land and buildings	21	46,128	62,480
Heritage and cultural assets	21	35,802	37,239
Other non-financial assets	21	13,552	2,823
Total non-financial assets		95,482	102,542
Total Assets Administered on Behalf of Government		7,090,458	7,080,346
Liabilities Administered on Behalf of Government			
as at 30 June 2003			
Payables			
Suppliers	22	662	2,276
Grants and subsidies	22	142	1,826
Other payables	22	5,967	3,689
Total payables		6,771	7,791
Total Liabilities Administered on Behalf of Government		6,771	7,791
Current Liabilities		6,771	7,791
Non-current Liabilities		-	-
Current Assets		37,766	69,000
Non-current Assets		7,052,692	7,011,346

This schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
SCHEDULE OF ADMINISTERED ITEMS (continued)

	2003	2002
	\$'000	\$'000
Administered Cash Flows		
for the year ended 30 June 2003		
Operating Activities		
Cash received		
Interest	4,444	3,925
Dividends	1,990,013	1,786,166
Cash from Official Public Account - Annual Appropriations	223,074	270,427
Special Accounts	248,343	434,228
Special Appropriations	9,299	9,039
GST received from the ATO	28,154	26,909
Other	76,719	89,386
Total cash received	2,580,046	2,620,080
Cash used		
Grant payments	(312,425)	(337,015)
Subsidies paid	(19,616)	(6,144)
Suppliers	(4,406)	(7,069)
Cash to Official Public Account - Annual Appropriations	(3,295)	(8,329)
Special Accounts	(144,969)	(219,044)
Other	(1,990,447)	(1,786,405)
Other	(136,042)	(199,253)
Total cash used	(2,611,200)	(2,563,259)
Net cash from/(used in) operating activities	(31,154)	56,821
Investing Activities		
Cash received		
Proceeds from returns of investments	37,715	-
Total cash received	37,715	-
Cash used		
Purchase of property, plant, equipment and intangibles	(2,561)	(5,053)
Purchase of investments	-	(57,110)
Other	(837)	-
Total cash used	(3,398)	(62,163)
Net cash from/(used in) investing activities	34,317	(62,163)
Financing Activities		
Cash received		
Cash from Official Public Account	24,827	29,421
Proceeds from equity injection	-	3,168
Total cash received	24,827	32,589
Cash used		
Cash to Official Public Account	(28,180)	(26,959)
Other	-	(250)
Total cash used	(28,180)	(27,209)
Net cash from/(used in) financing activities	(3,353)	5,380
Net increase/(decrease) in cash held	(190)	37
Cash at the beginning of reporting period	524	487
Cash at the end of reporting period	334	524

This schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
SCHEDULE OF ADMINISTERED ITEMS (continued)

Administered Commitments as at 30 June 2003	2003 \$'000	2002 \$'000
BY TYPE		
Capital commitments		
Land and buildings ⁽¹⁾	-	1,669
Infrastructure, plant and equipment ⁽²⁾	1,062	82
Other capital commitments ⁽³⁾	-	1,006
Total capital commitments	1,062	2,757
Other commitments		
Project commitments ⁽⁴⁾	120,348	208,783
Other commitments ⁽⁵⁾	61,844	92,092
Total other commitments	182,192	300,875
Commitments receivable	(8,462)	(12,255)
Net administered commitments	174,792	291,377
BY MATURITY		
All net commitments		
One year or less	150,878	209,807
From one to five years	23,914	81,570
Over five years	-	-
Net administered commitments	174,792	291,377
Capital commitments		
One year or less	1,062	2,506
From one to five years	-	251
Over five years	-	-
Capital commitments by maturity	1,062	2,757

(1) Outstanding contractual payments for building under construction relate to the Acton Peninsula Project.

(2) Infrastructure, plant and equipment commitments relate to the refurbishment of Old Parliament House (OPH).

(3) Other capital commitments relate to the Acton Peninsula project.

(4) Project commitments largely relate to Federal funding of various art projects.

(5) Other commitments relate to other funding of the Telecommunications Division.

NB: All commitments are GST inclusive where relevant.

This schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2003 \$'000	2002 \$'000
Administered Contingencies	24		
<i>as at 30 June 2003</i>			
Administered Contingent liabilities			
Other guarantees		279	260
Indemnities (i)		128,549	379,611
Claims for damages/costs		-	118
Total contingent liabilities		128,828	379,989
Administered Contingent assets		-	-
Net contingent liabilities		128,828	379,989

(i) Commonwealth indemnity of art exhibitions. This amount is subject to variation due to exchange rate.

Unquantifiable and remote contingencies are disclosed in Note 24: Administered Contingent Liabilities and Assets

This schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note	Description
1	Summary of Significant Accounting Policies
2	Events Occurring After Reporting Date
3	Operating Revenues
4	Operating Expenses
5	Borrowing Costs Expense
6	Financial Assets
7	Non-Financial Assets
8	Interest Bearing Liabilities
9	Provisions
10	Payables
11	Equity
12	Cash Flow Reconciliation
13	Contingent Liabilities and Assets
14	Executive Remuneration
15	Remuneration of Auditors
16	Average Staffing Levels
17	Act of Grace Payments, Waivers and Defective Administration Scheme
18	Financial Instruments
19	Revenues Administered on Behalf of Government
20	Expenses Administered on Behalf of Government
21	Assets Administered on Behalf of Government
22	Liabilities Administered on Behalf of Government
23	Administered Reconciliation Table
24	Administered Contingent Liabilities and Assets
25	Administered Investments
26	Administered Restructuring
27	Administered Financial Instruments
28	Appropriations
29	Reporting by Outcomes

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department

The Department of Communications, Information Technology and the Arts supports the communications, information technology, cultural and sports sectors by providing strategic policy advice to Government and delivering a range of Commonwealth grants, payments and incentive programs.

The Department also incorporates Artbank, the National Science and Technology Centre (NSTC) and ScreenSound Australia (SSA).

The following transfers have been made between the Department and the National Office for the Information Economy (NOIE):

- Functions relating directly to sectoral industry policies for the Information and Communications Technologies (ICT) industry, including the Centre of Excellence program; analysis of the international competitiveness of those industry sectors; and supporting activities in international forums, as they relate to the telecommunications industry sector have been transferred to the Department (Outcome 2, Output 2.1) from NOIE; and
- The Information Access function, with the exception of administration of the Commonwealth's copyright, have been transferred from the Department (Outcome 2, Output 2.1) to NOIE.

The Department is structured to meet four outcomes.

Outcome 1: A rich and stimulating cultural environment and a stronger, sustainable and internationally competitive Australian sports sector.

This Outcome is directed at:

- Strategic policy advice, support and awareness for the cultural and sport sectors;
- Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary; (i)
- Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery.

(i) Output 1.2 lapses in 2001-02 and hence has no funding for 2002-03. It has been reported this year only for 2001-02 actuals.

Outcome 2: Competitive and effective communications and information technology industries and services and improved access to Government information.

This Outcome is directed at:

- Strategic advice, policy and programs to achieve competitive and effective communications and information technology industries and services.

Outcome 3: Australians value science and technology's contribution to our culture and economic prosperity.

Questacon – the National Science and Technology Centre – aims to help Australians to value science and technology's contribution to our culture and economic prosperity. As a national leader in communicating science, Questacon makes science fun and relevant for everybody by engaging people in making their own stimulating discoveries.

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Outcome 4: Increased use, enjoyment and safety of Australia's audiovisual heritage.

ScreenSound Australia is the screen and sound archive for the Nation. It develops and maintains an audiovisual collection reflective of Australian culture and the audiovisual industry and encourages access to, and use of, the collection throughout the country.

Restructuring

With effect from 1 July 2003, Questacon (Outcome 3) transferred to the Department of Education, Science and Training and Screensound Australia (Outcome 4) transferred to the Australian Film Commission.

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management & Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Department's Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

Revenues and expenses are recognised in the Department's Statement of Financial Performance when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

Administered revenues, expenses, assets and liabilities and cash flows reported in Note 19 – 23 are accounted for on the same basis and using the same policies as for Department items, except where otherwise stated at 1.20.

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1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in the 2001-02, except in respect of:

- Equity injections (refer to Note 1.5);
- Measurement of certain employee benefits at nominal amounts (refer to Note 1.6);
- The revaluation of assets on a fair value basis (refer to Note 1.12); and
- Presentation and disclosure of administered items (refer to Note 1.20).

1.4 Revenue

The revenues described in this Note are revenues relating to core operating activities of the Department.

(a) Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

(b) Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

(c) Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised upon receipt of the dividend payment.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Revenue from the rendering of services is recognised by reference to the stage of completion of contracts or other agreements to provide services. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

1.5 Transactions by the Government as Owner

Equity Injections

From 1 July 2002, the FMOs require that amounts of appropriations designated as 'equity injections' (less any savings offered up in Portfolio Additional Estimates Statements) are recognised directly in Contributed Equity as at 1 July 2002 or later date of effect of the appropriation.

This is a change of accounting policy from 2001-02 to the extent any part of an equity injection that was dependent on specific future events occurring was not recognised until the appropriation was drawn down.

Restructuring

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

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Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. During the year the Department returned \$1.758m of previously reflected ABIS interest to the Official Public Account.

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave, sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by initial application of a new Accounting Standard AASB 1028 from 1 July 2002. As the Department's certified agreement raises pay rates on 1 July each year, the financial effect of this change is not material.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2003. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

No provision is made for separation and redundancy benefit payments.

Superannuation

Staff of Department of Communication Information Technology and the Arts are members of the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme and other superannuation schemes. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

The Department of Communications, Information Technology and the Arts makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the Department's employees.

The liability for superannuation recognised as at 30 June represent outstanding contributions for the final fortnight of the year.

1.7 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased

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assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.8 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

1.9 Cash

Cash means cheques, notes and coins held and any deposits held at call with a bank or financial institution.

1.10 Financial Instruments

Accounting policies for financial instruments are stated at Note 18 and Administered Note 27.

1.11 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Department's accounts immediately prior to the restructuring.

1.12 Property, Plant and Equipment

Asset Recognition Threshold

Assets purchased are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Basis

Land, buildings, infrastructure, plant, equipment, heritage and cultural assets are carried at valuation. Revaluations undertaken up to 30 June 2002 were undertaken on a deprival basis. Revaluations from that date will be at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*.

All valued assets at 30 June 2003 are at deprival value.

Frequency

Land, buildings, infrastructure, plant, equipment, heritage and cultural assets were revalued in accordance with the deprival method of valuation in 3-year cycles, so that no asset has a value greater than three years old.

From 1 July 2002 all subsequent revaluations will be conducted at fair value on a three year cycle, resulting in all assets being reflected at fair value by 30 June 2005.

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Conduct

All valuations are conducted by an independent qualified valuer, with the exception of Artbank where the valuation is a combination of both a qualified valuer's and a Director's Valuation.

Recoverable Amount Test

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amounts test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of agencies when the primary purpose of the asset is not the generation of net cash inflows.

No property plant and equipment or heritage and cultural assets have been written down to recoverable amount per AAS10, as this policy does not apply to the Department. Accordingly the change in policy has had no financial effect.

Intangibles

The Department's intangibles comprise of externally purchased and internally developed software for internal use. These assets are carried at cost.

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amounts test in Australian Accounting Standard AAS 10 *Recoverable Amount of Non-Current Assets* to the assets of agencies when the primary purpose of the asset is not the generation of net cash inflows.

Schedule 1 now requires assets, if carried on the cost basis, to be assessed for indications of impairment. The carrying amount of impaired assets must be written down to the higher of its net market selling price or depreciated replacement cost.

No write-down to recoverable amount has been made in 2002-03.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

Depreciation and Amortisation of Non-Current Assets

All assets are depreciated over their estimated useful lives to the Department, using in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	2003	2002
Land and buildings		
• Buildings	7 – 114 years	7 – 114 years
• Land improvements	35 – 50 years	35 – 50 years
• Leasehold improvements	Lower of 10 years or term of lease	Lower of 10 years or term of lease
Infrastructure, plant and equipment		
• Infrastructure	15 – 40 years	15 – 40 years
• Computer equipment	3 – 5 years	3 – 5 years
• Plant, office equipment, furniture & fittings	3 – 12 years	3 – 12 years
• Exhibition assets	5 – 6 years	5 – 6 years

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Heritage and Cultural Assets

• SSA Heritage Assets	5 – 79 years	5 – 79 years
• Heritage assets (other than SSA)	40 – 114 years	40 – 114 years
• Artworks	Nil	Nil

Intangibles

• Externally purchased software	3 – 5 years	3 – 5 years
• Internally developed software	3 – 5 years	3 – 5 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

1.13 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

A provision for obsolete stock is raised based on a review of inventory on hand at year end.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a weighted average cost basis; and
- finished goods and work in progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

1.14 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenue, expenses and assets are recognised net of (GST):

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables (statement of financial position).

1.15 Capital Usage Charge

A capital usage charge of 11% (2002: 11%) is imposed by the Government on the departmental net assets of the Department at year end. The net assets figure is adjusted to take account of asset gifts and revaluation increments during the financial year. The charge is accounted for as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government has decided that the charge will not operate after 30 June 2003.

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1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.17 Insurance

The Department has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through the Government's Comcare Australia.

1.18 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.19 Rounding

Amounts have been rounded to the nearest \$1,000 except in relation to the following items:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors;
- appropriation note disclosures; and
- special accounts.

1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items following the Departmental Statements, and further disclosed in related Notes. In 2001-02 these Administered items were presented in the Notes to these financial statements.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Department items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and UIG Consensus views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues, or assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions or balances are internal to the Administered entity.

These transfers of cash are reported as administered (operating) cash flow and in the administered reconciliation table in Note 23.

Accounting policies which are relevant to administered activities only of the Department are disclosed below.

(a) Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Commonwealth.

(b) Grants

The Department administers a number of grant schemes on behalf of the Government.

Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied. A commitment is recorded when the

Department of Communications, Information Technology and the Arts
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Government has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grants moneys are paid in advance of performance or eligibility, a prepayment is recognised.

(c) Administered Investments

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

The Commonwealth's investment in other controlled authorities and companies in the portfolio is valued at the aggregate of the Commonwealth's share of the net assets or liabilities of each entity fixed as at 30 June 1997, as adjusted for any subsequent capital injections or withdrawals.

Note 2 : Events Occurring after Reporting Date

Restructuring

Screensound Australia transferred to the Australian Film Commission with effect from 1 July 2003. The estimated effect of this will be to reduce assets by \$221.769m and liabilities by \$3.779m.

Questacon transferred to the Department of Education, Science and Training with effect from 1 July 2003. The estimated effect of this will be to reduce assets by \$41.674m and liabilities by \$2.814m.

Unquantifiable Contingencies

Waverley City Council and a number of other NSW Councils brought action in the Federal Court in July 2003 against the Commonwealth and other parties, seeking compensation for the acquisition of property and other damages in respect of telecommunications installations on, under and over land to which the councils have title. The statement of claim does not specify the amount of compensation or damages being sought from the Commonwealth and other parties.

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	2003 \$'000	2002 \$'000
Note 3: Operating Revenues		
<u>Note 3A: Revenues from Government</u>		
Appropriations for Outputs	144,752	145,168
Special Appropriations	3,000	2,930
Resources received free of charge	382	353
Total revenues from government	148,134	148,451
<u>Note 3B: Sales of goods and services</u>		
Goods		
Sale of inventory goods	1,583	1,668
Other sale of goods and services	6,549	3,962
Other sales	1	2,976
Sub sales	-	543
Sales returns and allowances	-	(25)
	8,133	9,124
Services		
Entry charges to exhibitions	2,263	2,244
Royalties received	271	1,971
Rent and service contract licence fees	409	511
Fees for services provided	1,102	7,162
Artbank rental revenue	2,306	2,020
	6,351	13,908
Total sales of goods and services	14,484	23,032
Provision of goods to:		
Related entities	4,893	121
External entities	3,240	9,003
Total sales of goods	8,133	9,124
Rendering of services to:		
Related entities	1,521	2,398
External entities	4,830	11,510
Total rendering of services	6,351	13,908
Costs of sales of goods	749	2,089
<u>Note 3C: Interest Revenue</u>		
Interest from DoFA	789	1,630
Interest from other sources	325	114
Total interest	1,114	1,744

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	2003 \$'000	2002 \$'000
Note 3D: Net (Gain)/Loss on Disposal of Assets		
Non-financial assets		
Revenue from disposal of assets	54	26
Total revenue from disposals	54	26
Value of assets disposed		
Add: Value of assets sold	58	43
Add: Land and buildings written off on disposal	425	-
Add: Infrastructure, plant and equipment written off on disposal	28	3,216
Add: Assets incorrectly capitalised	186	-
Add: Intangibles written off on disposal	-	300
Total value of non-financial assets disposed	697	3,559
Net (gain)/loss on disposal of non-financial assets	643	3,533
Note 3E: Other Revenue		
Other Revenue		
Grants received	227	181
Sponsorship and donations received	6,886	6,808
Other revenue	3,600	10,012
Total other revenue	10,713	17,001

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	2003 \$'000	2002 \$'000
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Note 4: Operating Expenses

Note 4A: Employee expenses

Wages and salary	43,135	42,333
Superannuation	7,279	6,684
Leave and other entitlements	7,067	3,526
Performance pay	757	168
Separation and redundancy payments	219	1,922
Other employee expenses	<u>1,856</u>	<u>1,819</u>
Total employee benefits expense	<u>60,313</u>	<u>56,452</u>
Workers' compensation premiums	432	924
Total employee expenses	<u><u>60,745</u></u>	<u><u>57,375</u></u>

Note 4B: Supplier expenses

Goods from related entities	86	637
Goods from external entities	8,809	12,200
Services from related entities	2,599	6,407
Services from external entities	<u>32,579</u>	<u>40,777</u>
Total suppliers expenses	<u><u>44,073</u></u>	<u><u>60,021</u></u>

Note 4C: Depreciation and amortisation

Depreciation of property, plant and equipment	15,693	13,710
Amortisation of leased and intangible assets	627	587
Total depreciation and amortisation	<u><u>16,320</u></u>	<u><u>14,297</u></u>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

Land and buildings		
Buildings	1,462	1,308
Leasehold improvements	503	876
Infrastructure, plant and equipment		
Computer equipment	490	262
Plant, office equipment, furniture & fittings	1,205	1,124
Exhibition assets	<u>2,689</u>	<u>2,130</u>
Heritage and cultural assets		
Heritage and cultural assets	-	-
SSA heritage assets	9,361	8,027
Intangibles		
Software	606	559
Other	<u>4</u>	<u>10</u>
Total depreciation and amortisation	<u><u>16,320</u></u>	<u><u>14,297</u></u>

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	2003 \$'000	2002 \$'000
Note 4D: Write-down of assets		
Financial assets		
Doubtful debts	11	955
Other financial assets	-	2
<i>Total financial assets</i>	11	957
Non-financial assets		
Write down of land and building revaluation decrement	-	82
Write down of plant and equipment revaluation decrement	-	33,431
Write down of intangibles revaluation decrement	-	221
Inventories - obsolete stock expense	30	206
<i>Total non-financial assets</i>	30	33,940
Total write-down of assets	41	34,897

Note 4E: Grants

Grants to non-profit institutions	7,357	9,278
Grants to Commonwealth entities (1)	(872)	3,792
Grants to State and Territory governments	57	1,362
Grants to other entities	1,741	4,008
Total Grants	8,283	18,440

The nature of the grants are as follows:

Centenary Of Federation	43	2,063
Software Engineering	2,393	3,470
Telecommunications Consumer Representation	53	712
NetAlert	500	1,500
Community Broadcasting Foundation (1)	5,092	4,949
Telecommunications AccessAbility	-	536
Arts Support Program	175	188
Book Industry Assistance Package (2)	(892)	2,300
Indigenous Cultural Property	492	289
Support Arts and Culture	89	2,418
Supporting Anti-Drugs Initiative	331	15
Other	7	-
Total Grants	8,283	18,440

(1) - The \$4.949m reported as 'Information Technology Online' grant expense in 2001-02 was actually Community Broadcasting Foundation' grant expense and is reported as such above.

(2) - Includes the recognition of a prepayment of \$1.192m in 2002-03, previously recognised as a grants expense in 2001-02.

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	2003 \$'000	2002 \$'000
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Note 4F: Other expenses

Other	588	530
<i>Total other expenses</i>	588	530

Note 5: Borrowing Costs Expense

Interest	238	10
<i>Total borrowing costs expense</i>	238	10

Department of Communications, Information Technology and the Arts
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	2003 \$'000	2002 \$'000
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Note 6: Financial Assets

Note 6A: Cash

Cash on hand	55	64
Special Accounts	2,816	-
Departmental (other than special accounts)	<u>25,554</u>	<u>17,578</u>
Total cash	<u>28,424</u>	<u>17,642</u>

All cash recognised is a current asset.

Note 6B: Receivables

Goods and services	3,588	4,198
<i>Less:</i> Provision for doubtful debts	(989)	(999)
	<u>2,599</u>	<u>3,199</u>
Receivable from DoFA	24,152	-
Loans	648	829
GST receivable from the ATO	1,131	673
Other	42	6,974
Total receivables (net)	<u>28,572</u>	<u>11,675</u>

All receivables are current assets.

Receivables (gross) are aged as follows:

Overdue by:

less than 30 days	27,067	9,521
30 to 60 days	498	512
60 to 90 days	89	453
more than 90 days	1,907	2,188
Total receivables (gross)	<u>29,561</u>	<u>12,674</u>

The provision for doubtful debts is aged as follows:

Overdue by:

less than 30 days	(9)	(999)
30 to 60 days	-	-
60 to 90 days	-	-
more than 90 days	(980)	-
Total provision for doubtful debts (gross)	<u>(989)</u>	<u>(999)</u>

Note 6C: Investments

Current

Term deposits - < 7 days	-	19,000
Term deposits - > 7 days	-	1,813
	<u>-</u>	<u>20,813</u>

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	2003 \$'000	2002 \$'000
Note 6D: Accrued Revenue		
Goods and services	90	786
Interest	<u>46</u>	<u>7</u>
	<u>136</u>	<u>793</u>
All accrued revenue is a current asset.		
Note 6E: Other Financial Assets		
Assets Pending Disposal	-	10
	<u>-</u>	<u>10</u>
All other financial assets are current assets.		
Note 7 Non-Financial Assets		
Note 7A: Land and Buildings		
Land - at 30 April 2002 valuation (deprival)	2,850	2,850
Accumulated depreciation	-	-
	<u>2,850</u>	<u>2,850</u>
Buildings & leasehold improvements - at cost	2,943	493
Accumulated depreciation	<u>(210)</u>	<u>(75)</u>
	<u>2,733</u>	<u>418</u>
Buildings & leasehold improvements - at 30 June 2002 valuation (deprival)	4,032	5,118
Accumulated depreciation	<u>(2,268)</u>	<u>(2,614)</u>
	<u>1,764</u>	<u>2,504</u>
Buildings & leasehold improvements - at 30 April 2002 valuation (deprival)	28,857	28,857
Accumulated depreciation	<u>(3,084)</u>	<u>(2,280)</u>
	<u>25,773</u>	<u>26,577</u>
Buildings & leasehold improvements - at 31 December 2001 valuation (deprival)	27,772	27,772
Accumulated depreciation	<u>(7,074)</u>	<u>(6,380)</u>
	<u>20,698</u>	<u>21,392</u>
Buildings & leasehold improvements - under finance lease	175	175
Accumulated amortisation	<u>(131)</u>	<u>(114)</u>
	<u>44</u>	<u>61</u>
Buildings & leasehold improvements - work in progress at cost	439	-
Total Land and Buildings (non-current)	<u>54,302</u>	<u>53,802</u>
Note 7B: Infrastructure, Plant and Equipment		
Infrastructure, plant and equipment - at cost	5,824	1,630
Accumulated depreciation	<u>(809)</u>	<u>(268)</u>
	<u>5,015</u>	<u>1,362</u>
Infrastructure, plant and equipment - at 30 June 2002 valuation (deprival)	2,209	2,399
Accumulated depreciation	<u>(1,617)</u>	<u>(1,257)</u>
	<u>592</u>	<u>1,142</u>
Infrastructure, plant and equipment - at 30 April 2002 valuation (deprival)	10,950	10,950
Accumulated depreciation	<u>(5,468)</u>	<u>(4,230)</u>
	<u>5,482</u>	<u>6,720</u>

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	2003 \$'000	2002 \$'000
Infrastructure, plant and equipment - at 31 December 2001 valuation (deprival)	30,033	30,103
Accumulated depreciation	(18,087)	(15,455)
	11,946	14,648
Infrastructure, plant and equipment - at 31 July 2000 valuation (deprival)	679	679
Accumulated depreciation	(443)	(388)
	236	291
Infrastructure, plant and equipment - work in progress at cost	1,350	708
Total Infrastructure, Plant and Equipment (non-current)	<u>24,621</u>	<u>24,871</u>

Note 7C: Heritage and Cultural Assets

Heritage and cultural assets - at cost	12,782	3,274
Accumulated depreciation	(461)	(15)
	12,321	3,259
Heritage and cultural assets - at 30 June 2002 valuation (deprival)	27,019	27,023
Accumulated depreciation	-	-
	27,019	27,023
Heritage and cultural assets - at 30 April 2002 valuation (deprival)	205,141	205,141
Accumulated depreciation	(39,290)	(30,375)
	165,851	174,766
Total Heritage and Cultural Assets (non-current)	<u>205,191</u>	<u>205,048</u>

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table C below. Revaluations were in accordance with the revaluation policy stated at Note 1.

Note 7D: Intangibles

Computer software - at cost	4,342	4,106
Accumulated amortisation	(2,971)	(2,457)
	1,371	1,649
Computer software internally developed - work in progress	323	1,386
Other intangibles - at 2001- 2002 valuation (deprival)	52	52
Accumulated amortisation	(52)	(48)
	-	4
Total Intangibles (non-current)	<u>1,694</u>	<u>3,039</u>

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Note 7E: Analysis of Property, Plant, Equipment and Intangibles

Table A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles.

Item	Total Land \$'000	Buildings & Leasethold Improvements \$'000	Total Land & Buildings \$'000	Total Infrastructure Plant & Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Other Intangibles \$'000	Total Intangibles \$'000	TOTAL \$'000
As at 1 July 02									
Gross book value	2,850	62,415	65,265	46,470	235,438	5,492	52	5,544	352,717
Accumulated depreciation	-	(11,463)	(11,463)	(2,159)	(30,390)	(2,457)	(48)	(2,505)	(65,957)
Net book value	2,850	50,952	53,802	24,871	205,048	3,035	4	3,039	286,760
Additions:									
by purchase	-	2,550	2,550	4,895	3,403	520	-	520	11,368
from acquisitions/operations	-	-	-	-	-	-	-	-	-
other acquisitions	-	-	-	-	6,105	-	-	-	6,105
Net revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-
Reclassification's	-	354	354	(59)	(295)	-	(295)	-	(295)
Depreciation/amortisation expense	-	(1,965)	(1,965)	(4,384)	(9,361)	(606)	(4)	(610)	(16,320)
Disposals:									
write off's	-	(425)	(425)	(28)	-	-	-	-	(453)
from disposal of operations	-	(14)	(14)	(31)	-	(750)	-	(750)	(795)
other disposals	-	-	(643)	(4)	(210)	-	(210)	-	(857)
As at 30 June 03									
Gross book value	2,850	64,219	67,069	51,045	244,942	4,665	52	4,717	367,773
Accumulated depreciation/amortisation	-	(12,767)	(12,767)	(26,424)	(39,751)	(2,971)	(52)	(3,023)	(81,965)
Net Book Value	2,850	51,452	54,302	24,621	205,191	1,694	-	1,694	285,808

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Table B: Assets at Valuation.

Item	Total Land \$'000	Buildings & Leashold Improvements \$'000	Total Land & Buildings \$'000	Total Infrastructure Plant & Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Other Intangibles \$'000	Total Intangibles \$'000	TOTAL \$'000
As at 30 June 03									
Gross value	2,850	60,836	63,686	43,871	232,160	-	52	52	39,769
Accumulated depreciation/amortisation	-	(12,557)	(12,557)	(25,615)	(39,290)	-	(52)	(52)	(77,514)
Net book value	2,850	48,279	51,129	18,256	192,870	-	-	-	26,255
As at 30 June 02									
Gross value	2,850	61,922	64,772	44,131	232,164	-	52	52	34,119
Accumulated depreciation/amortisation	-	(11,388)	(11,388)	(21,331)	(30,375)	-	(48)	(48)	(63,142)
Net book value	2,850	50,534	53,384	22,800	201,789	-	4	4	277,978

Table C: Assets Held under Finance Lease.

Item	Total Land \$'000	Buildings & Leashold Improvements \$'000	Total Land & Buildings \$'000	Total Infrastructure Plant & Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Other Intangibles \$'000	Total Intangibles \$'000	TOTAL \$'000
As at 30 June 03									
Gross value	-	175	175	-	-	-	-	-	175
Accumulated depreciation/amortisation	-	(131)	(131)	-	-	-	-	-	(131)
Net book value	-	44	44	-	-	-	-	-	44
As at 30 June 02									
Gross value	-	175	175	-	-	-	-	-	175
Accumulated depreciation/amortisation	-	(114)	(114)	-	-	-	-	-	(114)
Net book value	-	61	61	-	-	-	-	-	61

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Table D: Assets under Construction.

Item	Total Land \$'000	Buildings & Leashold Improvements \$'000	Total Land & Buildings \$'000	Infrastructure Plant & Equipment \$'000	Heritage and Cultural Assets \$'000	Computer Software \$'000	Other Intangibles \$'000	Total Intangibles \$'000	TOTAL \$'000
Gross value at 30 June 03	-	439	439	1,350	-	323	-	323	2,112
Gross value at 30 June 02	-	-	-	708	-	1,386	-	1,386	2,094

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	2003 \$'000	2002 \$'000
Note 7F: Inventories		
Finished goods (cost)	571	2,941
Provision for obsolete stock	(57)	(226)
Inventories held for sale	514	2,715
Inventories not held for sale (cost)	225	164
Total inventories	739	2,879

All departmental inventories are current assets.

Note 7G: Other Non-Financial Assets

Prepayments	4,064	667
	4,064	667

All other non-financial assets are current assets.

Note 8 - Interest Bearing Liabilities

Leases

Finance lease commitments		
Payable:		
within one year	30	22
in one to five years	30	53
in more than five years	-	-
Minimum lease payments	60	75
Deduct: future finance charges	(7)	-
Net lease liability	53	75

Lease liability is represented by:

Current	25	25
Non-current	28	50
Net lease liability	53	75

Finance leases exist in relation to leasehold improvements. The leases are non-cancellable and for fixed terms averaging 3 years, with a maximum of 5 years. The Agency guarantees the residual values of all assets leased.

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	2003 \$'000	2002 \$'000
Note 9: Provisions		
Note 9A: Capital Use Charge Provision		
Capital Use Charge	<u><u>-</u></u>	<u><u>-</u></u>
Balance owing 1 July 2002	-	-
Capital Use Charge provided for during the period	<u><u>33,844</u></u>	21,539
Capital Use Charge paid	<u><u>(33,844)</u></u>	(21,539)
Balance owing 30 June 2003	<u><u>-</u></u>	<u><u>-</u></u>
The Capital Use Charge provision is a current liability		
Note 9B: Employee Provisions		
Salaries, wages and superannuation	1,494	1,594
Leave and associated on costs	<u><u>16,465</u></u>	14,871
Separations and redundancies	-	346
Aggregate employee entitlement liability	<u><u>17,959</u></u>	16,811
Other	<u><u>35</u></u>	19
Aggregate employee benefit liability and related on-costs	<u><u>17,994</u></u>	16,830
Current	9,267	14,650
Non-Current	<u><u>8,727</u></u>	2,180
	<u><u>17,994</u></u>	16,830

Note 10: Payables

Note 10A: Supplier Payables		
Trade creditors	835	2,069
Other creditors	<u><u>994</u></u>	1,630
Total supplier payables	<u><u>1,829</u></u>	3,699

All suppliers payables are current liabilities.

Note 10B: Other Payables

Unearned income	3,166	4,068
GST Payable to the ATO	133	196
Other	<u><u>5,248</u></u>	2,124
Total other payables	<u><u>8,547</u></u>	6,388

All other payables are current liabilities.

Department of Communication, Information Technology and the Arts
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Note 11A: Analysis of equity

Item	Accumulated results		Asset revaluation reserve		Total Reserves		Contributed equity		TOTAL EQUITY	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Opening balance as at 1 July 2002	170,000	190,469	82,842	14,978	82,842	14,978	61,405	51,928	314,247	257,375
Net surplus deficit	43,514	1,119	-	-	-	-	-	-	43,514	1,119
Net revaluation increment/(decrement)	-	-	67,864	-	67,864	-	-	-	-	67,864
Changes in accounting policies	-	-	-	-	-	-	-	-	-	-
Currency translation gain/(loss)	-	-	-	-	-	-	-	-	-	-
Transactions with owners:										
Distributions to owner:										
Returns on Capital										
Dividends	(33,844)	(24,349)	-	-	-	-	1,189	3,414	(32,655)	(20,935)
Capital Use Charge										
Returns of Capital	33	2,761	(293)	-	(293)	-	(3,859)	3,321	(4,118)	6,082
Restructuring										
Other	-	-	-	-	-	-	-	-	-	-
Contributions by owner:										
Appropriations (equity injections)	-	-	-	-	-	-	90	2,742	90	2,742
Restructuring	-	-	-	-	-	-	-	-	-	-
Other (1)	-	-	-	-	-	-	(1,758)	-	(1,758)	-
Transfers to/(from) between reserves										
Closing balance as at 30 June 2003	179,704	170,000	82,549	82,842	82,549	82,842	57,067	61,405	319,320	314,247
<i>Less:</i> Outside equity interests	-	-	-	-	-	-	-	-	-	-
Total equity attributable to the Commonwealth	179,704	170,000	82,549	82,842	82,549	82,842	57,067	61,405	319,320	314,247

(1) - Return to DoFA of ABIS interest recognised in the Department's financial statements in 2000-01 and 2001-02.

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Note 11B: Restructuring

As a result of restructuring of administrative arrangements, the Department assumed responsibility for Tax and Venture Capital and ICT policy functions on 1 July 2002 from the National Office for the Information Economy. The Department relinquished its responsibility for the Information Access Branch.

(2002: The Department assumed responsibility for the distribution of Government information and the responsibility of the Sport and sport agencies policy on the 26 November 2001 from the Department of Finance and Administration and the Department of Industry, Tourism and Resources respectively. The Department transferred its responsibility for the National Office for the Information Economy and the Cultural Heritage programs from 1 July 2001 and 26 November 2001 respectively.)

In respect of functions assumed, the net book value of departmental assets and liabilities transferred to the Department of Communications, Information Technology and the Arts for no consideration and recognised at the date of transfer were:

	2003 \$'000	2002 \$'000
Total assets recognised	281	7,864
Total liabilities recognised	(580)	(2,076)
<i>Net assets assumed</i>	<u>(299)</u>	<u>5,788</u>

In respect of functions relinquished, the following assets and liabilities were transferred by the Department of Communications, Information Technology and the Arts:

National Office for the Information Economy

Total assets relinquished	(5,750)	(4,268)
Total liabilities relinquished	1,933	4,561
<i>Net assets relinquished</i>	<u>(3,817)</u>	<u>293</u>
<i>Net Contribution by Government as owner during the year</i>	<u>(4,116)</u>	<u>6,081</u>

Departmental revenues and expenses, for the full year, for the functions assumed by the Department of Communications, Information Technology and the Arts are as follows:

Tax and Venture Capital and ICT policy functions

Revenues

Recognised by National Office for the Information Economy	-	-
Recognised by Department of Communications, Information Technology and the Arts	520,000	-
<i>Total revenues</i>	<u>520,000</u>	<u>-</u>

Expenses

Recognised by National Office for the Information Economy	-	-
Recognised by Department of Communications, Information Technology and the Arts	1,874,683	-
<i>Total expenses</i>	<u>1,874,683</u>	<u>-</u>

Information Access Branch

Revenues

Recognised by National Office for the Information Economy	14,082,298	-
Recognised by Department of Communications, Information Technology and the Arts	-	-
<i>Total revenues</i>	<u>14,082,298</u>	<u>-</u>

Expenses

Recognised by National Office for the Information Economy	12,057,695	-
Recognised by Department of Communications, Information Technology and the Arts	-	-
<i>Total expenses</i>	<u>12,057,695</u>	<u>-</u>

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Note 11B: Restructuring

Government Information

Revenues

Recognised by the Department of Finance and Administration	-	7,545
Recognised by the Department of Communications, Information Technology and the Arts	-	7,117
Total revenues	-	14,662

Expenses

Recognised by the Department of Finance and Administration	-	6,451
Recognised by the Department of Communications, Information Technology and the Arts	-	7,835
Total expenses	-	14,286

Sport and sport agencies

Revenues

Recognised by the Department of Industry, Tourism and Resources	-	434
Recognised by the Department of Communications, Information Technology and the Arts	-	520
Total revenues	-	954

Expenses

Recognised by the Department of Industry, Tourism and Resources	-	434
Recognised by the Department of Communications, Information Technology and the Arts	-	486
Total expenses	-	920

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	2003 \$'000	2002 \$'000
Note 12: Cash Flow Reconciliation		
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	28,424	36,642
Statement of Financial Position items		
comprising above cash: 'Financial Asset - Cash'	28,424	36,642
 Reconciliation of net surplus to net cash from operating activities:		
Net surplus (deficit)	43,514	1,124
Depreciation/amortisation	16,320	14,297
Loss on disposal of non-current assets	479	17
Fixed asset additions, non-cash	-	(8)
Write-down of infrastructure, plant and equipment	59	37,458
Other non-cash items	(5,892)	-
Reversal of previous asset write-down	187	755
Restructuring - net expenses (revenue)	-	6,092
Other	(4)	(6,955)
(Increase)/decrease in receivables	6,928	1,413
(Increase)/decrease in accrued revenue	622	(407)
(Increase)/decrease in inventories	(35)	(2,299)
(Increase)/decrease in other non-financial assets	(4,442)	2
Increase/(decrease) in provisions and payables for suppliers	(1,806)	1,177
Increase(decrease) in provisions and payables for employees	1,163	(2,341)
Increase/(decrease) in provisions and payables for grants	-	(77)
Increase/(decrease) in other provision and payables	(289)	(845)
Change in other assets and liabilities	1,016	(3,779)
Cash transfers to the OPA	(24,152)	-
Net cash from/(used by) operating activities	33,668	45,624

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Note 13: Contingent Liabilities and Assets	2003	2002
	\$'000	\$'000

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of a make good provision at a cost of \$450,000 (2002: Nil). The amount represents an estimate of the Agency's liability if it was to vacate the premises of 38 Sydney Avenue.

Unquantifiable Contingencies

There are no unquantifiable contingencies as at 30 June 2003 (2002: Nil)

Remote Contingencies

There are no remote contingencies as at 30 June 2003 (2002: Nil)

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	2003 \$'000	2002 \$'000
Note 14: Executive Remuneration		
The number of executives who received or were due to receive total remuneration of \$100,000 or more:		
\$100,000 to \$110,000	1	-
\$110,001 to \$120,000	2	6
\$120,001 to \$130,000	2	6
\$130,001 to \$140,000	1	6
\$140,001 to \$150,000	8	2
\$150,001 to \$160,000	2	2
\$160,001 to \$170,000	4	2
\$170,001 to \$180,000	2	5
\$180,001 to \$190,000	1	-
\$190,001 to \$200,000	3	-
\$200,001 to \$210,000	-	1
\$210,001 to \$220,000	1	-
\$220,001 to \$230,000	1	1
\$240,001 to \$250,000	2	-
\$340,001 to \$350,000	1	-
	31	31
	2003	2002
The aggregate amount of total remuneration of executives shown above:	5,234,134	4,481,027
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	328,288	Nil

Calculation of Executive Remuneration

In accordance with the Finance Ministers Orders and Accounting Standards, the remuneration figures include salary, performance pay, motor vehicle lease costs, allowances, fringe benefits tax, separation and redundancy payments. The remuneration figures also include the following accrued liabilities recorded by the Department during the financial year: salary, annual leave, long service leave and superannuation.

Included in the executive remuneration figures are officers who have acted in an executive office position during the financial year, whose aggregate remuneration, as noted above, for the financial year is \$100,000 or more.

Department of Communications, Information Technology and the Arts
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Note 15: Remuneration of Auditors 2003 2002

Financial statement audit services are provided free of charge to the department.

The fair value of the services provided was:

Department	379,000	350,000
Regional Telecommunications Infrastructure Account	3,000	3,000
	382,000	353,000

No other services were provided by the Auditor-General.

Note 16: Average Staffing Levels

The average staffing levels for the department during the year were: **877** 893

Note 17: Act of Grace Payments, Waivers and Defective Administration Scheme

No 'Act of Grace' payments were made during either reporting period, and there are no amounts owing as at year end.

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No payments were made under the 'Defective Administration Scheme' during reporting period. **Nil** Nil

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Note 18: Financial Instruments

Note 18A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefits can be reliably measured.	
Cash	6A	Cash is recognised at its nominal amount. Interest on cash at bank is credited to revenue as it accrues.	Momies in the Department's bank accounts are swept into the Official Public Account nightly and interest is earned on the daily balance at rates based on money market call rates. Rates have averaged 2% for the year. (2002 : 2%) Interest is paid quarterly.
Receivables - Goods and services	6B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Credit terms are net 30 days (2002: 30 days).
Receivables - DoFA	6B	Return of cash to DoFA at 30/6/03 in accordance with DoFA policy.	Momies can be drawn down from DoFA as required by the Department.
Receivables - Other	6B	These receivables include GST receivable from the ATO and a loan to the National Museum of Australia (NMA).	Terms are as per ATO guidelines. Terms for the loan to NMA as per the loan agreement which reflects full repayment of the loan by the end of the 2003-06 financial year.
Term deposit	6C	The term deposit is recognised at cost. Interest is accrued to revenue as it is earned.	The deposits are with approved deposit funds including DoFA and the RBA, invested for terms with an average of 7 days at 4.7% per annum (2002 : 4.4%).
Accrued revenue	6D	Accrued revenue is recognised when a service has been provided but billing has not yet occurred.	As for receivables for goods and services once billed.
Financial Liabilities		Financial Liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Finance lease liabilities	8	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the lease.	At reporting date, the Department had finance leases with the terms averaging three years and maximum term of five years. The interest rate implicit in the leases averaging 11.9% (2002: 11.6%). The lease assets secure the lease liabilities.
Capital Use Charge payable	9A	This payable is recognised as the amount outstanding on the estimated amount to be paid in accordance with calculations outlined by the Department of Finance and Administration	The amount payable for the year was at 11% and in accordance with the original budget estimate. 2002: 11% of the closing balance of Equity less movements in the Asset Revaluation Reserve and any capital injections, less any amount settled before 30 June.
Trade creditors	10A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received and (irrespective of having been invoiced).	Settlement is usually made net 30 days.

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Note 18: Financial Instruments
 18B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In			Non-Interest Bearing			Total		Weighted Average Effective Interest Rate 2003 %	2002 %
		2003 \$'000	2002 \$'000	1 year or less 2003 \$'000	2 to 5 years 2002 \$'000	> 5 years 2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000		
Financial Assets													
Cash at bank	6A	28,419	17,637	-	-	-	-	-	-	28,424	17,642	2	2
Receivables - Goods and Services	6B	-	-	-	-	-	-	-	-	2,589	3,199	N/A	N/A
Receivables - from DoFA	6B	-	-	-	-	-	-	-	-	24,152	24,152	-	N/A
Receivables - Other	6B	-	-	-	-	-	-	-	-	1,821	8,476	8,476	N/A
Investment - Term Deposit	6C	-	-	-	-	-	-	-	-	-	-	-	4.7
Accrued Revenue	6D	-	-	-	-	-	-	-	-	136	793	793	4.4
Other Financial Assets	6E	-	-	-	-	-	-	-	-	10	10	10	N/A
Total		28,419	17,637	-	20,813	-	-	-	-	28,713	12,483	57,132	50,933
Total Assets													
Financial Liabilities													
Finance Lease Liability	8	-	-	25	22	25	-	28	-	-	-	53	75
Payables and Provisions - Goods and Services	10A	-	-	-	-	-	-	-	-	1,829	3,699	1,829	3,699
Payables and Provisions - Grants	10B	-	-	-	-	-	-	-	-	-	-	-	N/A
Payables and Provisions - Other	10B	-	-	-	-	-	-	-	-	8,547	6,388	8,547	6,388
Total		-	-	25	22	25	-	28	-	10,376	10,087	10,429	10,162
Total Liabilities													
Unrecognised Indemnity		-	-	-	-	-	-	-	-	-	-	-	-

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Note 18: Financial Instruments (continued)

Note 18C: Net Fair Values of Financial Assets and Liabilities

		2003		2002	
	Note	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental Financial Assets					
Cash at bank	6A	28,424	28,424	17,642	17,642
Receivables - Goods and Services (net)	6B	2,599	2,599	3,199	3,199
Receivables - DoFA	6B	24,152	24,152	-	-
Receivables - Other	6B	1,821	1,821	8,476	8,476
Investment - Term Deposit	6C	-	-	20,813	20,813
Accrued Revenue	6D	136	136	793	793
Other Financial Assets	6E	-	-	10	10
Total Financial Assets		57,132	57,132	50,933	50,933
Financial Liabilities (Recognised)					
Finance Lease Liability	8	53	53	75	75
Capital Use Charge	9A	-	-	-	-
Trade Creditors	10A	1,829	1,829	3,699	3,699
Payables and Provisions - Other	10B	8,547	8,547	6,388	6,388
Total Financial Liabilities (Recognised)		10,429	10,429	10,162	10,162
Financial Liabilities (Unrecognised)					
Indemnities		-	-	-	-
Total Financial Liabilities (Unrecognised)		-	-	-	-

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of the finance lease and government loan liability are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values of trade creditors approximate their carrying amounts.

The net fair value of the indemnities given is taken to be nil as the likelihood of any part of it being called upon is regarded as

Note 18D: Credit Risk Exposures

The Department's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Department has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 19: Revenues Administered on Behalf of Government		
Interest		
Deposits	3,736	4,681
Total interest	<u>3,736</u>	<u>4,681</u>
Dividends		
Telstra dividend	1,676,014	1,418,166
Australia Post dividend	314,000	368,000
Total dividends	<u>1,990,014</u>	<u>1,786,166</u>
Other revenue		
Universal Service Obligation levy	62,945	67,610
National Relay Service levy	13,311	12,714
Other	59,586	41,984
Total other revenue	<u>135,842</u>	<u>122,308</u>
Total Revenues Administered on Behalf of Government	<u>2,129,592</u>	<u>1,913,155</u>

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 20: Expenses Administered on Behalf of Government		
Grants		
State and Territory Governments	28,494	73,597
Local Governments	20,763	30,483
Private sector	35,582	66,549
Overseas	1,763	2,200
Non-profit institutions	78,669	53,633
Commonwealth entities	96,927	76,361
Other entities	25,029	21,410
Total grants	287,227	324,233
<i>The nature of grants are as follows:</i>		
Compensation to SITA	1,747	2,310
Cooma Call and Technology Centre	-	7
Cultural Development Program	37,243	32,033
National Cultural Heritage	-	117
Local Government Fund	4,572	21,509
Building Additional Rural Networks	5,512	9,784
Telecommunication Needs of Remote Island Communities	7,756	1,565
Television Fund	4,584	5,835
TV Blackspots - Alternative Technical Solutions	100	-
Federation Fund	31,824	65,380
Film Finance Corporation Australia Ltd	57,500	50,000
Regional Telecommunications Infrastructure Account - NTN General Fund	44,104	49,153
Major ICT - Center of Excellence	10,300	-
National Transmission Network	577	1,232
Contributions to International Organisations (ITU/APT)	19	48
Building IT Strengths	24,833	64,605
Rural Internet Access	258	301
Extension of Mobile Phones on Highways	955	44
Hall of Fame	-	1,000
Digital Interference Studies	42	126
Foot and Mouth Prevention	21,200	5,904
Sports and Recreation	1,162	1,485
Support for Water and Alpine Safety	1,992	-
Launceston Broadband Project	940	2,940
Telecommunications Action Plan for Remote Indigenous Communities	333	-
Telecommunications Service Inquiry Implementation	29,674	8,855
Total	287,227	324,233
Subsidies		
Other than to related entities:		
Mobile Phones along Highways	17,142	5,585
Regional Mobile Phone Program	692	-
Total subsidies	17,834	5,585

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 20: Expenses Administered on Behalf of Government (continued)		
Suppliers		
Rendering of services - external parties	586	8,032
Total suppliers	586	8,032
Depreciation and amortisation		
<i>Depreciation</i>		
Heritage and cultural assets	4,592	812
Buildings	7,846	3,102
Total depreciation	12,438	3,914
<i>Amortisation</i>		
Investment purchase premium	436	607
Total amortisation	436	607
Total depreciation and amortisation	12,874	4,521
Write down and impairment of assets		
Financial assets	-	100
Non-financial assets - buildings	9,274	-
Total write down and impairment of assets	9,274	100
Other expenses		
International membership fees	5,774	5,545
Universal Service Obligation payments	62,945	67,610
National Relay Service payments	13,409	12,714
Public Lending Rights/Education Lending Rights schemes	15,749	14,477
Untimed Local Calls	25,499	80,000
Telecommunication Service Inquiry - Internet Assistance	2,350	3,965
Other goods and services	598	2
Total other expenses	126,324	184,313
Total Expenses Administered on Behalf of Government	454,119	526,784

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Note 21: Assets Administered on Behalf of Government			
Financial Assets			
Cash			
Administered payments bank account		334	524
Total cash		<u>334</u>	<u>524</u>
Receivables			
Goods and Services Tax		5,222	8,384
Goods and services		357	100
<i>Less:</i> Provision for doubtful debts		(100)	(100)
Other accrued revenue		49	765
Total receivables (net)		<u>5,528</u>	<u>9,149</u>
Receivables (gross) are aged as follows:			
Not overdue		5,271	9,249
Overdue by:			
Less than 30 days		257	-
30 to 60 days		-	-
60 to 90 days		-	-
More than 90 days		100	-
Total receivables (gross)		<u>5,628</u>	<u>9,249</u>
The provision for doubtful debts is aged as follows:			
Not overdue		-	(100)
Overdue by:			
Less than 30 days		-	-
30 to 60 days		-	-
60 to 90 days		-	-
More than 90 days		(100)	-
Total provision for doubtful debts		<u>(100)</u>	<u>(100)</u>

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 21: Assets Administered on Behalf of Government (continued)		
Financial Assets (continued)		
Investments	Notes 25	
<i>Investments of Special Accounts</i>		
Fixed coupon bonds	-	50,000
Bank accepted commercial bills	12,844	5,922
On call account	5,508	146
	18,352	56,068
<i>Investments in Portfolio Agencies:</i>		
Commonwealth authorities		
- Australia Council	A	7,701
- Australian Broadcasting Authority	B	271
- Australian Broadcasting Corporation and controlled entities	C	421,232
- Australian Communications Authority	D	11,347
- Australian Film Commission	E	5,905
- Australian Film, Television and Radio School	F	24,221
- Australian National Maritime Museum	G	16,375
- National Gallery of Australia and controlled entity	H	250,967
- National Library of Australia	I	151,711
- National Museum of Australia	J	1,977
- Special Broadcasting Service Corporation and controlled entity	K	62,715
- Australian Sports Commission	L	107,092
- Australian Sports Drug Agency	M	193
	1,061,987	1,002,852
Commonwealth companies		
- Film Finance Corporation Australia Ltd	N	66,530
- Australia Business Arts Foundation Ltd	O	1,166
- Australian Postal Corporation	P	855,500
- Bundanon Trust	Q	18,772
- Film Australia Ltd	R	13,921
- Telstra Corporation Ltd (a)	S	4,952,886
	5,908,775	5,908,775
Total investments	6,989,114	6,967,695
(a) The market value of the share holding is estimated to be \$28.36 billion as at the 30th June 2003 (\$30.04 billion 2001-02)		
Other financial assets		
Investment purchase premium	-	436
Total other financial assets	-	436
Total financial assets	6,994,976	6,977,804

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 21: Assets Administered on Behalf of Government (continued)		
Non-financial assets		
Land and buildings		
Building - National Institute of Dramatic Art (NIDA) - as at 30 June 2002 valuation (deprival)	57,845	57,845
Accumulated depreciation	(12,487)	(4,640)
	<u>45,358</u>	53,205
Building - National Museum of Australia - at cost ⁽¹⁾	-	9,661
Accumulated depreciation	-	(386)
	<u>-</u>	9,275
Assets under construction - NIDA Building at cost	770	-
Total land and buildings	<u>46,128</u>	62,480
Heritage and cultural assets		
Building - Old Parliament House - as at 30 June 2001 valuation (deprival)	80,171	80,171
Accumulated depreciation	(56,893)	(52,745)
	<u>23,278</u>	27,426
Building - Old Parliament House - at cost	8,871	6,472
Accumulated depreciation	(335)	-
	<u>8,536</u>	6,472
OPH Heritage Collections - as at 30 June 2002 valuation (deprival)	9,765	9,765
Accumulated depreciation	(6,533)	(6,424)
	<u>3,232</u>	3,341
OPH Heritage Collections - at cost	163	-
Accumulated depreciation	-	-
	<u>163</u>	-
Assets under construction - OPH Building - at cost	593	-
Total heritage and cultural assets	<u>35,802</u>	37,239
Other non-financial assets		
Prepayments paid	13,552	2,823
Total other non-financial assets	<u>13,552</u>	2,823
Total non-financial assets	<u>95,482</u>	102,542
Total Assets Administered on Behalf of Government	<u>7,090,458</u>	7,080,346

⁽¹⁾ The National Museum of Australia assets include building infrastructure assets (net book value as at 1 July 2002 \$9,274,332). They were transferred to the National Capital Authority as at 1 July 2002.

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 22: Liabilities Administered on Behalf of Government		
Payables		
Suppliers		
Trade creditors	214	2,215
Accrued expenses	448	61
Total suppliers	662	2,276
Grants and subsidies		
Public sector:		
State and Territory Governments	-	160
Local Governments	7	125
Private sector - Non-profit entities	115	1,622
Other entities	20	(81)
Total grants and subsidies	142	1,826
Other payables		
Retention monies for Acton Peninsula project	221	1,227
GST payable	5,301	2,462
Other	445	-
Total other payables	5,967	3,689
Total Payables	6,771	7,791
Total Liabilities Administered on Behalf of Government	6,771	7,791

All liabilities are expected to be settled within 12 months of the balance date.

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
Note 23: Administered Reconciliation Table		
Administered assets less administered liabilities as at 1 July	7,072,555	6,865,974
<i>Plus</i> Administered revenues	2,129,592	1,913,155
<i>Less</i> Administered expenses	(454,119)	(526,783)
Administered transfers to/(from) Government:		
Appropriation Transfers from OPA	477,422	708,736
Transfers to OPA	(2,135,417)	(2,005,449)
Restructuring	-	107,152
Transfers to other Entities	-	-
Transfers from other Entities	-	-
Administered revaluations taken to/(from) reserves	-	9,770
Currency translation gain/(loss)	-	-
Changes in accounting policies	-	-
Non cash adjustments for prior years	(6,346)	-
Administered assets less administered liabilities as at 30 June	7,083,687	7,072,555

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
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Note 24: Administered Contingent Liabilities and Assets

Quantifiable Administered Contingencies

Quantifiable Administered Contingencies that are not remote are disclosed in the Schedule of Administered Items as Quantifiable Administered Contingencies.

Unquantifiable Administered Contingencies

There were no unquantifiable Administered Contingencies at 30 June 2003.

Remote Administered Contingencies

The Department reports remote contingent liability in respect of a request to rectify a contract to make an additional \$2.5m (2002:Nil) payable. The Department denies that there are any legal grounds which require the contract to be rectified.

The following borrowings have been guaranteed/indemnified by the Commonwealth in respect of entities within the Communications, Information Technology and the Arts portfolio:

Guarantees

ABC Corporate Loan - Japanese Yen 3,000,000,000 (maturity 29/05/04)	40,000	40,000
ABC Domestic Bond (maturity 01/03/03)	-	50,000
Total guarantees	40,000	90,000

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 25: Administered Investments

Ownership %	Principal Activity
100	A Australia Council - Provides advice and support for artistic practice of individuals and companies. Encourages all Australian people, communities, institutions in cultural activities. A body corporate established under the Australia Council Act 1975.
100	B Australian Broadcasting Authority - Facilitates an accessible, diverse and responsible broadcasting industry. A body corporate established under the Broadcasting Services Act 1992.
100	C Australian Broadcasting Corporation and controlled entities - National broadcaster, contributing to and reflecting Australia's culture. A body corporate established under the Australian Broadcasting Corporation Act 1983.
100	D Australian Communications Authority - Contributes to an efficient, competitive and self regulated communications sector. A body corporate established under the Australian Communications Authority Act 1997.
100	E Australian Film Commission - Development of an internationally competitive Australian screen industry. A body corporate established under the Australian Film Commission Act 1975.
100	F Australian Film, Television and Radio School - Provides advanced education and training programs for Australian media industry. A body corporate established under the Australian Film, Television and Radio School Act 1973.
100	G Australian National Maritime Museum - Acquires, researches, conserves and presents relevant material to Australia's maritime heritage. A body corporate established under the Australian National Maritime Museum Act 1990.
100	H National Gallery of Australia and controlled entity - Provides access to works of art and information about them locally, nationally and internationally. A body corporate established under the National Gallery Act 1975.
100	I National Library of Australia - Provides a comprehensive collection of Australian library material and international documentary resources. A body corporate established under the National Library Act 1960.
100	J National Museum of Australia - Provides Australian's accessibility to Australian historical collections and public programs to develop Australia's history and culture. A body corporate established under the National Museum of Australia Act 1980.
100	K Special Broadcasting Service Corporation and controlled entity - Provides multilingual and multicultural services that inform, educate and entertain. Promotes Australia's multicultural society. A body corporate established under the Special Broadcasting
100	L Australian Sports Commission - Provides national leadership in all facets of sport development, through National Sporting Organisations, government, the private sector, schools and the wider community. A body corporate established under the Australian Sp
100	M Australian Sports Drug Agency - Provides an independent, high quality and accessible anti-doping program to enable Australian sport to deter athletes from banned doping practices. A body corporate established under the Australian Sports Drug Agency Act 1
100	N Film Finance Corporation Australia Ltd - Provides financial support to the Australian film and television production industry. Incorporated in Australia.
100	O Australia Business Arts Foundation Ltd (formerly Australian Foundation for Culture & Humanities Ltd) - Established to encourage private sector cultural sponsorship and philanthropy. Incorporated in Australia.
100	P Australian Postal Corporation - Provides a national and international postal and parcel service. A body corporate established under the Australian Postal Corporation Act 1989.
100	Q Bundanon Trust - A trust established to manage and develop properties at Bundanon NSW as a living art centre. Incorporated in Australia.
100	R Film Australia Ltd - Distributes and markets films and, in particular, produces programs of national interest. Incorporated in Australia.
51	S Telstra Corporation Ltd - Provides a national and international telecommunication service. Incorporated in Australia.

Department of Communication, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 26: Administered Restructuring

As a result of restructuring of administrative arrangements, the Department assumed responsibility for the ICT Centre of Excellence (nil assets transferred).

(2002: As a result of restructuring of administrative arrangements, the Department relinquished its responsibility for the National Australia Day Council (\$74,000 in liabilities) and the Cultural Heritage programs (\$132,250 in assets) from 26 November 2001.)

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 27: Administered Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods	Nature of underlying instrument
<i>Financial Assets (Recognised):</i>			
Cash	21	Cash is recognised at its nominal amount.	The balance of the administered cash account is non-interest bearing.
Receivables - goods and services	21	These receivables are recognised at the nominal amounts due less a provision for doubtful debts.	Credit terms are net 30 days (2001-02: 30 days)
Investments - Special Accounts	21	Investments of special account balances are valued at purchase price (excluding any accrued interest and purchase premium).	Fixed coupon bonds, bank accepted commercial bills and on-call deposits held with banks.
Investments - Portfolio Agencies	21	These investments are valued at the proportion of the net asset figure from each Agency's balance sheet as at 30 June 1997, owned by the Commonwealth and adjusted for equity contributions since that date, in accordance with Finance Minister's Orders 6B Ad	
Accrued revenue	21	Accrued revenue is recognised when a service has been provided but billing has not yet occurred.	As for receivables for goods and services once billed.
<i>Financial Liabilities:</i>			
Payables	22	Payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled.	Settlement is usually made net 30 days.
		Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).	

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

(a) Terms, Conditions and Accounting Policies (continued)

Financial Instrument	Notes	Accounting Policies and Methods	Nature of underlying instrument
Grants liabilities	22	In 2002-2003 grants made by the Department are recognised as liabilities and expenses only at the time that the grantee has met all obligations and conditions implicit in the grant agreement.	The Department approves applications for grants based on application merits and selection criteria. Grant payments are made in accordance with the grant agreement. The timing of the payments is based on the nature of the project to which the grant is to be
<i>Unrecognised Financial Liabilities</i>			
Other financial guarantees	24	The amounts guaranteed by the Commonwealth have been disclosed in the Schedule of Contingencies and in note 24, the Schedule of Remote Contingencies. At the time of completion of the financial statements, there was no reason to believe that the guarantee	The guarantees are over borrowings of the Australian Broadcasting Corporation and the Special Broadcasting Service Corporation. The borrowings are at interest rates of 4% per annum (2001-2002: 5.9% per annum). The borrowings will mature by May 2004.
Indemnities	24	The maximum amount payable under the indemnities given is disclosed in the Schedule of Contingencies and in note 24, the Schedule of Remote Contingencies. At the time of completion of the financial statements, there was no reason to believe that the indem	The Commonwealth indemnifies owners and promoters of exhibits against loss or damage of cultural objects loaned for display in approved exhibitions.

Department of Communications, Information Technology and the Arts
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2003

(b) Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate			Fixed Interest Rate			Non-Interest Bearing			Total	Effective Interest Rate
		2003 \$'000	2002 \$'000	1 year or less \$'000	1 to 2 years \$'000	2003 \$'000	2002 \$'000	1 to 5 years \$'000	> 5 years \$'000	2003 \$'000	2002 \$'000	
Financial Assets												
Cash	21	334	524	-	-	-	-	-	-	334	524	2.0%
Receables - Goods and Services	21	5,508	146	12,844	55,922	-	-	-	-	5,479	8,384	N/A
Investments	21	-	-	-	-	-	-	-	-	6,970,762	6,911,627	6,970,695
Accrued Revenue	21	-	-	-	-	-	-	-	-	49	765	4.7%
Other financial assets	21	-	-	-	-	-	-	-	-	436	436	N/A
Total Assets		5,842	670	12,844	55,922					6,976,290	6,921,212	6,977,804
Financial Liabilities												
Payables and provisions - Goods and Services	22	-	-	-	-	-	-	-	-	214	2,215	N/A
Payables and provisions - Grants	22	-	-	-	-	-	-	-	-	142	1,826	N/A
Payables and provisions - Other	22	-	-	-	-	-	-	-	-	6,415	5,739	N/A
Total Liabilities										6,771	7,791	7,771
Liabilities Not Recognised												
Guarantees to Public Trading Enterprises	24	-	-	-	-	-	-	-	-	-	-	0.0%
Guarantees - Borrowings	24	-	-	50,000	-	-	-	-	-	-	-	0.0%
Other guarantees	24	-	-	-	-	-	-	-	-	-	-	0.0%
Commonwealth liability for exhibitions	24	-	-	-	-	-	-	-	-	-	-	0.0%
Other interminances	24	-	-	-	-	-	-	-	-	-	-	0.0%
Total Financial Liabilities (Unrecognised)				50,000						40,000	40,000	40,000

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

(c) Net Fair Values of Administered Financial Assets and Liabilities

		2003		2002	
	Note	Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Administered Financial Assets					
Cash	21	334	334	524	524
Receivables - goods and services	21	5,479	5,479	8,384	8,384
Investments	21	6,989,114	6,989,114	6,967,695	6,967,695
Accrued revenue	21	49	49	765	765
Other financial assets	21	-	-	436	436
Total Financial Assets		6,994,976	6,994,976	6,977,804	6,977,804
Financial Liabilities (Recognised)					
Payables and provisions - goods and services	22	214	214	2,215	2,215
Payables and provisions - grants	22	142	142	1,826	1,826
Payables and provisions - others	22	6,415	6,415	3,750	3,750
Total Financial Liabilities (Recognised)		6,771	6,771	7,791	7,791
Financial Liabilities (Unrecognised)					
Guarantees to Public Trading Enterprises	24	-	-	-	-
Guarantees - Borrowings	24	40,000	40,000	90,000	90,000
Other guarantees*	24	-	-	-	-
Commonwealth indemnity of art exhibitions*	24	-	-	-	-
Other indemnities	24	-	-	-	-
Total Financial Liabilities (Unrecognised)		40,000	40,000	90,000	90,000

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of the guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. The net fair values of trade creditors approximate their carrying amounts.

The net fair values of indemnities are regarded as the maximum possible loss which the Commonwealth faces while the indemnity remains current.

* Schedule of Remote Administered Contingencies

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 28: Appropriations

Table 28A: Cash Basis Acquittal of Appropriations from Acts 1 and 3.

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 5		
Year ended 30 June 2003					
Balance carried forward from previous period	\$ 5,729,392	\$ 5,478,841	\$ -	\$ 32,252,371	\$ 43,460,604
Appropriation for reporting period (Act 1)	111,183,000	154,757,000	-	134,441,000	400,381,000
Appropriation for reporting period (Act 3)	5,981,000	-	-	10,311,000	16,292,000
Adjustments by the Finance Minister	-	-	-	-	-
Amounts from Advance to the Finance Minister	-	-	-	-	-
Refunds credited (FMA s 30D)	-	-	-	-	-
GST credits (FMA s 30A)	2,982,774	7,687,873	-	4,299,979	14,970,626
Annotations to 'net appropriations' (FMA s 31)	-	-	-	24,963,748	24,963,748
Other annotations or adjustments (inc adjustment for CUC)	-	-	-	1,764,487	1,764,487
Transfers to/from other agencies (FMA s 32)	-	-	-	-	-
Administered appropriation lapsed	125,876,166	167,923,714	-	208,032,584	501,832,465
Available for payments	(111,753,791)	(118,695,488)	-	(184,422,373)	(414,871,652)
Payments made	-	-	-	-	-
Appropriations credited to Special 1 Accounts	14,122,375	49,228,226	-	23,610,212	86,960,814
<i>Balance carried to the next year</i>					
<i>Represented by:</i>					
Cash	14,122,375	49,228,226	-	23,610,212	86,960,814
Appropriations receivable	-	-	-	-	-
<i>Total</i>	14,122,375	49,228,226	-	23,610,212	86,960,814

Any amounts of administered appropriation for 2002/03 shown above as lapsed are estimates only as determination are not made by the Finance Minister until after the completion of these statements.

Particulars	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 5		
Year ended 30 June 2002					
Balance carried forward from previous period	\$ 3,082,347	\$ 4,626,744	\$ -	\$ 15,005,220	\$ 22,714,311
Total annual appropriation	89,557,000	189,193,000	3,700,000	168,461,000	450,911,000
Adjustments and annotations to appropriations	-	-	-	49,104,474	49,104,474
Other revenues	9,844,163	19,577,404	-	5,296,880	34,718,447
Transfers to/from other agencies (FMA s 32)	1,222,000	(3,700,000)	(207,918,307)	(24,085,401)	(26,586,401)
Payments made during the year	(97,976,18)	(207,918,307)	-	(181,506,802)	(487,401,227)
Appropriation credited to Special 1 Accounts	-	-	-	-	-
Balance carried forward to next year	5,729,392	5,478,841	-	32,252,371	43,460,604
<i>Represented by:</i>					
Cash	5,729,392	5,478,841	-	32,252,371	44,142,604
Appropriations receivable	-	-	-	-	-
<i>Total</i>	5,729,392	5,478,841	-	32,252,371	44,142,604

Department of Communications, Information Technology and the Arts
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Table 28B: Cash Basis Acquittal of Appropriations from Acts 2 and 4

Particulars	Outcome 1			Administered			Outcome 2			Non-operating			Total
	SPPs	New	SPPs	New	\$	Equity	\$	Loans	\$	Previous Years Outputs	Admin assets and liabilities	\$	
Year ended 30 June 2003													
Balance carried forward from previous period	-	-	-	-	-	-	1,600,000	-	-	-	-	-	1,600,000
Appropriation for reporting period (Act 2)	-	-	-	-	-	-	90,000	-	-	-	-	-	90,000
Appropriations for reporting period (Act 4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments determined by the Finance Minister	-	-	-	-	-	-	-	-	-	-	-	-	-
Funds from Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-	-	-
Refunds credited (FMA s 30)	-	-	-	-	-	-	-	-	-	-	-	-	-
GST credits (FMA s 30A)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other arrears	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to/from other agencies (FMA s 22)	-	-	-	-	-	-	-	-	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-	-	-	-	-	-	-	-	-
Available for payments	-	-	-	-	-	-	1,690,000	-	-	-	-	-	1,690,000
Payments made	-	-	-	-	-	-	(70,984)	-	-	-	-	-	(70,984)
Appropriations credited to Special Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Balance carried to the next year</i>	-	-	-	-	-	-	1,619,016	-	-	-	-	-	1,619,016
<i>Represented by:</i>													
Cash	-	-	-	-	-	-	1,619,016	-	-	-	-	-	1,619,016
Appropriation receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1,619,016	-	-	-	-	-	1,619,016
<i>Any amounts of administered appropriation for 2002-03 shown above as lapsed are estimates only as determinations are not made by the Finance Minister until after the completion of these statements.</i>													
Particulars	Outcome 1			Administered			Outcome 2			Non-operating			Total
	SPPs	New	SPPs	New	\$	Equity	\$	Loans	\$	Previous Years Outputs	Admin assets and liabilities	\$	
Year ended 30 June 2002													
Balance carried forward from previous period	-	-	-	-	-	-	-	-	-	-	-	-	3,167,595
Total appropriations	-	-	-	-	-	-	20,000,000	-	-	2,742,000	-	-	22,742,000
Adjustments and annotations to appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to/from other agencies (FMA s 22)	-	-	-	-	-	-	-	-	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments made during the year	-	-	-	-	-	-	(20,000,000)	-	-	(1,142,000)	-	-	(3,167,595)
Appropriation credited to special accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Balance carried forward to next period</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Represented by:</i>													
Cash	-	-	-	-	-	-	-	-	-	1,600,000	-	-	1,600,000
Appropriation receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	1,600,000	-	-	-	-	-	1,600,000

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Table 28C: Cash Basis Acquittal of Special Appropriations (Limited Amount)

Particulars	Administered Expenses			Departmental Outputs	Capital	Total
	Outcome 1	Outcome 2	Outcome 5			
Year ended 30 June 2003						
Appropriation (Supplementary Measures) Act - Book Industry Assistance Package						
Balance carried forward from previous period	12,791	-	-	192,111	-	204,902
Current appropriation	9,300,000	-	-	3,000,000	-	12,300,000
Adjustments by the Finance Minister	-	-	-	-	-	-
Amounts from Advance to the Finance Minister	-	-	-	-	-	-
Refunds credited (FMA s 30)	-	-	-	-	-	-
GST credits (FMA s 30A)	-	-	-	-	-	-
Annotations to 'net appropriations' (FMA s 31)	-	-	-	-	-	-
Other annotations	-	-	-	-	-	-
Transfers to/from other agencies (FMA s 32)	-	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-	-
Available for payments	9,312,791	-	-	3,192,111	-	12,504,902
Payments made	-	-	-	(2,812,685)	-	(2,812,685)
Adjustments credited to Special Accounts	-	-	-	-	-	-
<i>Balance carried forward to the next year</i>	<i>9,312,791</i>	<i>-</i>	<i>-</i>	<i>379,426</i>	<i>-</i>	<i>9,692,217</i>
<i>Represented by:</i>						
Cash	9,312,791	-	-	379,426	-	9,692,217
<i>Total</i>	<i>9,312,791</i>	<i>-</i>	<i>-</i>	<i>379,426</i>	<i>-</i>	<i>9,692,217</i>

Any amounts of administered appropriation for 2002-03 shown above as lapsed are estimates only as determinations are not made by the Finance Minister until after the completion of these statements.

Particulars	Administered Expenses			Departmental Outputs	Capital	Total
	Outcome 1	Outcome 2	Outcome 5			
Year ended 30 June 2002						
Balance carried forward from previous period	-	-	-	93,732	-	93,732
Total appropriation	8,370,000	-	-	2,930,000	-	11,300,000
GST credits (FMA s 30A)	80	-	-	-	-	80
Adjustments and annotations to appropriations	-	-	-	-	-	-
Transfers to/from other agencies (FMA s 32)	-	-	-	-	-	-
Administered appropriation lapsed	-	-	-	-	-	-
Payments made during the year	(8,357,289)	-	-	(2,831,621)	-	(11,188,910)
Appropriation credited to Special accounts	-	-	-	-	-	-
Balance carried forward to next period	12,791	-	-	192,111	-	204,902
<i>Represented by:</i>						
Cash	12,791	-	-	192,111	-	204,902
Appropriation receivable	-	-	-	-	-	-
<i>Total</i>	<i>12,791</i>	<i>-</i>	<i>-</i>	<i>192,111</i>	<i>-</i>	<i>204,902</i>

Department of Communications, Information Technology and the Arts
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Note 28D. Special Accounts

Artbank Business Operations Account

Legal Authority: Financial Management and Accountability Act 1997, section 20.
Purpose: for payment on program and operations of Artbank.
Nature: Departmental

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year	1,784,304	1,469,439							2,003
Appropriation for reporting period	-	-							2,002
Other revenues	2,803,496	2,939,097							1,469,439
Cost recovered	-	-							-
GST Credits (FMA s.30A)	-	-							2,939,097
Available for payments	4,587,800	4,408,536							-
Payments made	(2,521,509)	(2,624,332)							-
Balances carried forward to next year	2,066,291	1,784,304							4,408,536
<i>Represented by:</i>									
Cash	2,066,291	1,784,304							1,784,304
Total	2,066,291	1,784,304							1,784,304

Standing Committee on Recreation & Sport Consultant Account

Legal Authority: Financial Management and Accountability Act 1997, section 20.
Purpose: for the expenditure on pilot studies, specialist technical advice and programs and projects initiated by the Sport and recreation Ministers' Council and its subordinate body , the Standing Committee on recreation and Sport, the cost of which will be met jointly by the Commonwealth, States and Territories.
Nature: Departmental

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year	152,025	-							152,025
Appropriation for reporting period	-	-							-
Other revenues	390,173	417,025							390,173
Cost recovered	-	-							-
GST Credits (FMA s.30A)	48,576	-							48,576
Available for payments	590,774	417,025							417,025
Payments made	(534,337)	(265,000)							(265,000)
Balances carried forward to next year	56,437	152,025							56,437
<i>Represented by:</i>									
Cash	56,437	152,025							56,437
Total	56,437	152,025							56,437

Department of Communications, Information Technology and the Arts
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Note 28D: Special Accounts

National Science and Technology
Legal Authority: Financial Management and Accountability Act 1997, section 20.
Purpose: for payments from contributions and donations in accordance with their terms.
Nature: Departmental

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year			257,790		492,488		257,790		2003
Appropriation for reporting period			-		-		-		492,488
Other revenues			277,880		27,712		277,880		-
Cost recovered			-		-		-		27,712
GST Credits (FMA s.30A)			-		-		-		-
Available for payments	535,670		520,200		535,670		520,200		530,200
Payments made	(146,582)		(202,410)		(146,582)		(202,410)		(202,410)
Balance carried forward to next year	389,088		257,790		389,088		389,088		257,790
<i>Represented by:</i>									
Cash					389,088		257,790		389,088
Total					389,088		257,790		389,088

ScreenSound Australia Account
Legal Authority: Financial Management and Accountability Act 1997, section 20.
Purpose: for payments and investments of donations received in connection with the activities of ScreenSound Australia.
Nature: Departmental

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year			403,790		403,790		403,790		2003
Appropriation for reporting period			-		-		-		408,318
Other revenues			14,451		17,530		14,451		-
Cost recovered			-		-		-		17,530
GST Credits (FMA s.30A)			-		-		-		-
Available for payments	418,641		425,848		418,641		425,848		-
Payments made	(114,682)		(22,058)		(114,682)		(22,058)		(22,058)
Balance carried forward to next year	303,959		403,790		303,959		403,790		403,790
<i>Represented by:</i>									
Cash					303,959		403,790		403,790
Total					303,959		403,790		403,790

Department of Communications, Information Technology and the Arts
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Note 28D: Special Accounts

Federation Fund Account

Legal Authority: Financial Management and Accountability Act 1997, section 20.

Purpose: for expenditure on substantial capital projects throughout Australia which will mark the Centenary of Federation and make a significant and lasting contribution to the Australian community.

Nature: Administered

	Outcome 1 2003	Outcome 2 2003	Outcome 3 2003	Outcome 4 2003	2002	2003	Total
Balance carried forward from previous year	52,851,004	111,315,182				200,3	200,3
Appropriation for reporting period	-	8,865,033				52,851,004	111,315,182
Other revenues	-	-					8,865,033
Cost recovered	-	-					-
GSTI Credits (FMA s.30A)	190,505	-				190,505	-
Adjustment for prior period reporting error	(2,315,829)					(2,315,829)	-
Available for payments	50,725,680	120,180,215				50,725,680	120,180,215
Payments made	(33,022,932)	(67,339,211)				(33,022,932)	(67,339,211)
Balance carried forward to next year	17,702,748	52,851,004				17,702,748	52,851,004
<i>Represented by:</i>							
Cash on call held in the OPA	17,702,748	52,851,004				17,702,748	52,851,004
Total	17,702,748	52,851,004				17,702,748	52,851,004

National Cultural Heritage Account⁽¹⁾

Legal Authority: Financial Management and Accountability Act 1997, section 21 and Protection of Movable Cultural Heritage Act 1986, section 25.

Purpose: provide for acquisition of Australian protected objects for display or safe-keeping.

Nature: Administered

	Outcome 1 2003	Outcome 2 2003	Outcome 3 2003	Outcome 4 2003	2002	2003	Total
Balance carried forward from previous year	-	249,000					249,000
Appropriation for reporting period	-	-					-
Other revenues	-	-					-
Cost recovered	-	-					-
GSTI Credits (FMA s.30A)	-	-					-
Available for payments	-	249,000					249,000
Payments made	-	(116,750)					(116,750)
Balance carried forward to next year	-	132,250					132,250
<i>Represented by:</i>							
Cash on call held in the OPA	-	132,250					132,250
Total	-	132,250					132,250

(1) This program was transferred, under AAO's November 2001, to the Department of Environment and Heritage.

Department of Communications, Information Technology and the Arts
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Note 28D: Special Accounts

Regional Telecommunications Infrastructure Account

Legal Authority: Financial Management and Accountability Act 1997, section 20.

Purpose: For payments on financial assistance for telecommunications related projects in regional areas.

Nature: Administered

	2003	Outcome 1 2002	2003	Outcome 2 2002	2003	Outcome 3 2002	2003	Outcome 4 2002	2003	Total
Balance carried forward from previous year		\$84,992,111		97,289,777					84,992,111	97,289,777
Appropriation for reporting period		-		48,270,816					-	48,270,816
Other revenues		-		-					-	-
Cost recovered		-		-					-	-
GST Credits (FMA s.30A)		4,262,840		-				4,262,840	-	-
Adjustment for prior period reporting error		47,535,151		-				47,535,151	-	-
Available for payments		136,790,102		145,360,593				136,790,102	145,360,593	
Payments made		(82,359,944)		(60,685,482)				(82,359,944)	(60,568,482)	
Balance carried forward to next year		\$54,430,158		84,992,111				\$54,430,158	84,992,111	
<i>Represented by:</i>										
Cash on call held in the OPA									54,430,158	84,992,111
Total		\$54,430,158		84,992,111				\$54,430,158	84,992,111	

National Relay Service

Legal Authority: Financial Management and Accountability Act 1997, section 21 and Telecommunications (Consumer Protection and Service Standards) Act 1999, section 102.

Purpose: provision of telephone services to the hearing impaired.

Nature: Administered

	2003	Outcome 1 2002	2003	Outcome 2 2002	2003	Outcome 3 2002	2003	Outcome 4 2002	2003	Total
Balance carried forward from previous year		-	-	-	-				-	-
Appropriation for reporting period		-	-	-	-				-	-
Other revenues		13,311,472	12,614,443	-	-				13,311,472	12,614,443
Cost recovered		-	-	-	-				-	-
GST Credits (FMA s.30A)		2,973,982	-	-	-				2,973,982	-
Available for payments		16,285,454	12,614,443	-	-				16,285,454	12,614,443
Payments made		(16,285,705)	(12,614,443)	-	-				(16,285,705)	(12,614,443)
Balance carried forward to next year		(251)	-	-	-				(251)	-
<i>Represented by:</i>										
Cash repayable to the OPA		(251)	-	-	-				(251)	-
Total		(251)		-				-	(251)	

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Note 28D. Special Accounts

Television Fund Account

Legal Authority: Financial Management and Accountability Act 1997, section 21 and Telstra (Corporation) Act 1991, section 63.

Purpose: provide for extended and/or improved television broadcast service coverage.

Nature: Administered

	2003	Outcome 1 2002	2003	Outcome 2 2002	2003	Outcome 3 2002	2003	Outcome 4 2002	2003	Total
Balance carried forward from previous year										
Appropriation for reporting period		34,787,885		42,172,874					34,787,885	42,172,874
Other revenues		-		-						
Cost recovered		852,222		-					852,322	-
GST Credits (FMA s.30A)		-		-						-
Adjustment for prior period reporting error		137,459		-					137,559	-
Available for payments		818,222		-					818,222	-
Payments made		36,595,988		42,172,874					36,595,988	42,172,874
Balance carried forward to next year		28,209,810		(34,787,885)					(8,386,178)	(7,384,989)
<i>Represented by:</i>										
Cash on call held in the OPA									28,209,810	34,787,885
Total		28,209,810		34,787,885					28,209,810	34,787,885

Unlimited Local Call Access Account

Legal Authority: Financial Management and Accountability Act 1997, section 21 and Telstra (Corporation) Act 1991, section 52.

Purpose: provide unlimited local call access to people outside the standard zone and extend facilities to those within.

Nature: Administered

	2003	Outcome 1 2002	2003	Outcome 2 2002	2003	Outcome 3 2002	2003	Outcome 4 2002	2003	Total
Balance carried forward from previous year										
Appropriation for reporting period		56,067,763		135,000,000					56,067,763	135,000,000
Other revenues		-		-						-
Cost recovered		3,591,390		3,925,056					3,591,390	3,925,056
GST Credits (FMA s.30A)		-		-						-
Available for payments		2,500,000		-					2,500,000	-
Payments made		62,159,153		138,925,056					62,159,153	138,925,056
Balance carried forward to next year		(27,999,000)		(82,557,293)					(27,999,000)	(82,557,293)
<i>Represented by:</i>										
Cash on call held in the OPA										
Total		34,160,153		56,067,763					34,160,153	56,067,763

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Note 28D. Special Accounts

Universal Service Account

Legal Authority: Financial Management and Accountability Act 1997, section 21 and Telecommunications (Consumer Protection and Service Standards) Act 1999.

Purpose: for collection of payments from telecommunications carriers required to contribute to the costs of providing universal service requirements.

Nature: Administered

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year		-		-		-		-	-
Appropriation for reporting period		-		-		-		-	-
Other revenues	62,944,989	67,609,579					62,944,989	67,609,579	
Cost recovered	-	-					-	-	-
GST Credits (FMA s.30A)	5,973,982	-					5,973,982	-	
Available for payments	68,918,971	67,609,579					68,918,971	67,609,579	
Payments made	(68,872,724)	(67,609,579)					(68,872,724)	(67,609,579)	
Balance carried forward to next year	46,247	-					46,247	-	
<i>Represented by:</i>									
Cash on call held in the OPA	46,247	-					46,247	-	
Total	46,247	-					46,247	-	

Other Trust Monies Account

Legal Authority: Financial Management and Accountability Act 1997, section 20.

Purpose: For payments of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.

Nature: Administered

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Balance carried forward from previous year		-		-		-		-	-
Appropriation for reporting period		-		-		-		-	-
Other revenues									5,763,050
Cost recovered									3,143,558
GST Credits (FMA s.30A)									-
Available for payments									26,395
Payments made									5,789,355
Balance carried forward to next year									(5,789,355)
<i>Represented by:</i>									
Cash on call held in the OPA									
Total									-

Note: This Special Account is not attributable to an Outcome.

Department of Communications, Information Technology and the Arts
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Note 29: Reporting by Outcome

Note 29A: Net Cost of Outcome Delivery

The Department of Communications, Information Technology and the Arts uses a costing system to determine the attribution of its shared items (overheads) to Outcomes and Outputs. This system is based on the use of actual Average Staffing Levels (ASL's) month by month. The basis of attribution used in the 'Reporting of Outcomes' tables is consistent with the basis used for the 2002-03

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Total
	2003	2002	2003	2002	2003	2002	2003	2002	
Administered expenses	159,603	165,377	294,516	361,306	-	-	-	-	454,119
Departmental expenses	36,075	55,026	51,357	54,298	16,125	19,419	27,427	60,362	130,985
Total expenses	195,678	220,403	345,873	415,604	16,125	19,419	27,427	60,362	585,104
<i>Cost recovered from provision of goods and services to the non-government sector</i>									
Administered	-	-	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-	-	-
Total costs recovered	-	-	-	-	-	-	-	-	-
<i>Other external revenues</i>									
Administered	59,587	19,384	2,070,005	1,893,771	-	-	-	-	2,129,592
Departmental	9,489	15,796	4,702	10,023	5,534	8,285	6,639	8,028	26,365
Total other external revenues	69,076	35,180	2,074,707	1,903,794	5,534	8,285	6,639	8,028	2,153,957
Net cost/(contribution) of outcome	126,602	185,223	(1,728,834)	(1,488,190)	10,591	11,134	20,788	52,334	(1,570,853)

The Outcomes above are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Usage Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports. Refer to Outcome 1 Resourcing Table on page 15 and Outcome 2 Resourcing Table on page 43 and Outcome 3 Resourcing Table on page 83 and Outcome 4 Resourcing Table on page 95 of this Annual Report.

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Note 29B: Major Classes of Departmental Revenues and Expenses by Output Groups and Outputs

	Outcome 1												Outcome 2												Outcome 3												Outcome 4											
	Output 1.1			Output 1.2			Output 1.3			Group Total			Output 2.1			Output 3.1			Output 4.1			Output 4.2			Group Total			Outcome Total																				
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002														
Departmental expenses																																																
Employees	11,616	373	5,859		17,847	17,862	25,873	22,821	6,783	5,949	5,672	-	4,769	10,744	10,241	10,744	60,745																															
Suppliers	9,483	310	6,372		16,165	28,750	16,290	18,529	5,661	7,181	3,561	-	2,396	6,516	5,957	6,516	44,073	60,976																														
Depreciation and amortisation	409	26	272		707	760	784	853	3,620	3,037	10,448	-	861	9,647	11,209	9,547	16,120	14,397																														
Grants	195	43	7		245	7,039	8,038	11,401	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-														
Other	185	211	1,111	615	372	694	61	3,552	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-														
Total departmental expenses	21,888	-	963	-	13,226	-	36,075	55,026	51,357	54,298	16,125	19,419	19,381	-	8,046	60,362	27,427	60,362	130,985	189,105																												
Funded by:																																																
Revenue from government	24,087	470	12,516		37,073	43,338	50,621	51,864	13,950	12,309	38,316	-	8,174	40,939	46,490	40,939	148,334	148,334	148,450																													
Sale of goods and services	3,517	39	1,482		5,038	8,934	3,420	6,605	4,570	5,803	-	1,456	1,631	1,456	-	1,456	1,631	1,456	1,631	14,484	23,033																											
Other non-exation revenues	1,863	4	2,584		4,451	6,996	1,232	3,202	964	2,466	4,765	-	418	6,381	5,184	6,381	11,881	18,745																														
Total departmental revenues	29,467	-	513	-	46,562	58,968	55,323	61,731	19,484	20,578	43,081	-	10,048	48,951	53,130	48,951	174,999	190,238																														

The Outcomes above are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Usage Charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

Department of Communications, Information Technology and the Arts
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 29C - Major Classes of Administered Revenues and Expenses by Outcomes

	Outcome 1 2003 \$'000	Outcome 2 2002 \$'000	Outcome 3 2003 \$'000	Outcome 4 2002 \$'000	Total 2003 \$'000
Administered Revenues					
Dividends	-	1,990,014	1,786,166	-	-
Other sources	59,587	19,385	79,991	107,604	-
Total Administered Revenues	59,587	19,385	2,070,005	1,893,770	-
Administered Expenses					
Subsidies	-	17,834	5,585	-	-
Grants	121,720	146,517	165,507	177,716	-
Other	37,883	18,860	111,175	178,106	-
Total Administered Expenses	159,603	165,377	294,516	361,407	-



INDEPENDENT AUDIT REPORT

To the Minister for Communications Information Technology and the Arts

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Regional Telecommunications Infrastructure for the year ended 30 June 2003 included on the Department of Communications Information Technology and the Arts' web site. The Secretary of the Regional Telecommunications Infrastructure of Communications Information Technology and the Arts is responsible for the integrity of the Department of Communications Information Technology and the Arts' web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report. If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

I have audited the financial statements of Regional Telecommunications Infrastructure of Communications Information Technology and the Arts for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Departmental Secretary and Chief Financial Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Regional Telecommunications Infrastructure Secretary is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Regional Telecommunications Infrastructure financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of Regional Telecommunications Infrastructure as at 30 June 2003, and its financial performance and cash flows for the year then ended.



Richard Rundle
Executive Director

Delegate of the Auditor-General

Canberra
28 August 2003



Australian Government

Department of Communications,
Information Technology and the Arts

**REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT
(RTIA)**

2002-2003 FINANCIAL STATEMENTS

**STATEMENT BY THE DEPARTMENTAL SECRETARY
AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2003 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

Signed... *Helen Williams*

Helen Williams AO

Secretary

28 August 2003

Signed... *Jennifer Gale*

Jennifer Gale FCPA

Chief Financial Officer

28 August 2003

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenues from ordinary activities			
Revenues from Government	4	-	47,859
Adjustment for prior period reporting error	4	(297)	-
<i>Total revenues from ordinary activities</i>		<u>(297)</u>	<u>47,859</u>
Expenses from ordinary activities			
Subsidies	5	17,142	5,585
Grants	6	54,152	54,813
Adjustment for prior period reporting error	7	349	-
<i>Total expenses from ordinary activities</i>		<u>71,643</u>	<u>60,398</u>
<i>Net operating surplus / (deficit) from ordinary items</i>		<u>(71,940)</u>	<u>(12,539)</u>
Net increase (decrease) in administered net assets		<u><u>(71,940)</u></u>	<u><u>(12,539)</u></u>

The above schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
ASSETS			
Financial assets			
Cash	8	54,430	84,992
Receivables	9	53	47,832
<i>Total financial assets</i>		54,483	132,824
Non financial assets			
Prepayments	10	6,401	-
<i>Total non financial assets</i>		6,401	-
Total assets		60,884	132,824
LIABILITIES			
Payables			
Grants	11	-	-
Other	11	-	-
<i>Total payables</i>		-	-
Total liabilities		-	-
EQUITY			
Accumulated surplus		60,884	132,824
Total equity	13	60,884	132,824
Total equity and liabilities		60,884	132,824
Current liabilities		-	-
Non-current liabilities		-	-
Current assets		60,884	132,824
Non-current assets			

The above schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
STATEMENT OF CASH FLOWS
for the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
OPERATING ACTIVITIES			
Cash received			
Revenue from government		47,535	48,392
Other - GST Received from ATO		4,263	-
<i>Total cash received</i>		<u>51,798</u>	<u>48,392</u>
Cash used			
Subsidies		(18,076)	(5,585)
Grants		(64,284)	(55,105)
<i>Total cash used</i>		<u>(82,360)</u>	<u>(60,690)</u>
Net cash from operating activities	14	<u>(30,562)</u>	<u>(12,298)</u>
FINANCING ACTIVITIES			
Cash received			
GST Appropriations		4,263	122
<i>Total cash received</i>		<u>4,263</u>	<u>122</u>
Cash used			
Return of GST Appropriations to OPA		(4,263)	(122)
<i>Total cash used</i>		<u>(4,263)</u>	<u>(122)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		<u>(30,562)</u>	<u>(12,298)</u>
Cash at the beginning of the reporting period		84,992	97,290
Cash at the end of the reporting period		<u>54,430</u>	<u>84,992</u>

The above schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
SCHEDULE OF COMMITMENTS
for the year ended 30 June 2003

	Note	2003 \$'000	2002 \$'000
BY TYPE			
OTHER COMMITMENTS			
Grants ⁽¹⁾		47,688	75,776
<i>Total other commitments</i>		<u>47,688</u>	<u>75,776</u>
COMMITMENTS RECEIVABLE			
<i>Net commitments</i>		<u>47,688</u>	<u>73,779</u>
BY MATURITY			
All net commitments			
One year or less		47,065	63,938
From two to five years		623	9,841
<i>Net commitments</i>		<u>47,688</u>	<u>73,779</u>

NB: All commitments are GST inclusive where relevant

-1 Commitments are comprised of future payments to State Government, Local Government and private organisations for work relating to RTIA, Rural Internet Access, Mobile Phones Along Highways and Telecommunication Needs of Remote Communities.

The above schedule should be read in conjunction with the accompanying notes

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
SCHEDULE OF CONTINGENCIES
for the year ended 30 June 2003

SCHEDULE OF CONTINGENCIES		2003	2002
	Note	\$'000	\$'000
Contingent Liabilities		-	-
Contingent Assets		-	-
<i>Net contingent liabilities</i>		<u><u>1</u></u>	<u><u>1</u></u>

Unquantifiable and remote contingencies are disclosed in note 12: Contingent Liabilities and Assets.

The above schedule should be read in conjunction with the accompanying notes.

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

No.	Description
1	Objectives of the RTIA
2	Funding arrangements for the RTIA
3	Summary of significant accounting policies
4	Revenues from Government
5	Subsidies
6	Grants
7	Adjustment for prior period reporting error
8	Cash
9	Receivables
10	Prepayments
11	Payables
12	Contingent Liabilities and Assets
13	Equity
14	Cash flow reconciliation
15	Financial instruments
16	Receipts and expenditure of the Special Account

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Introduction

The Regional Telecommunications Infrastructure Account (RTIA) is a special account funded through the partial sale of Telstra and the subsequent social bonus. The fund is administered through the Department of Communications, Information Technology and the Arts (DCITA).

Note 1 - Objectives of the RTIA

The objective of RTIA is to assist the economic and social development of regional, rural and remote Australia by funding projects which:

- enhance telecommunications infrastructure and services in regional, rural and remote areas;
- increase access to, and promote use of, services available through telecommunications networks in regional, rural and remote areas; or
- reduce disparities in access to such services and facilities between Australians in regional, rural or remote areas and those in urban areas.

Note 2 - Funding arrangements for the RTIA

The Government announced the establishment of the RTIA in December 1996 with total funding of \$250m, with \$50m being allocated each year from 1997-98 to 2001-02.

Of total funds \$9.606m has been allocated to manage the program, and is included in DCITA's departmental appropriation. Each year the balance of the \$50m allocation is transferred into the Regional Telecommunications Infrastructure Account Special Account, established under s20 of the *Financial Management and Accountability Act 1997*.

A further \$81.0m of funding was provided for three programs these being Telecommunication Needs of Remote Communities (\$20m), Rural Internet Access (\$36m) and Mobile Phones Along Highways (\$25m) all of which ran to 30 June 2003.

Note 3 – Summary of Significant Accounting Policies

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general-purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO's being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board;
- Consensus Views of the Urgent Issues Group.

The Statement of Financial Performance and Statement of Financial Position have been prepared on an accrual basis and are in accordance with the historical cost convention. Except where stated, no allowance is made for the effect of changing prices on the results or the Statement of Financial Position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when, it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets, which are unrecognised, are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at note 12).

Revenues and expenses are recognised in the Statement of Financial Performance when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

RTIA's continued existence, in its current form and with its current outputs, is dependent on Government policy and on continuing appropriation by Parliament of unspent funding of \$54.43m. The RTIA program was to end on 30 June 2002 however the funding for the program was rephased to 30 June 2004. The Rural Internet Access and Telecommunication needs of remote communities programs ended on 30 June 2003.

3.1 Changes in Accounting Policy

There are no changes in accounting policy.

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

3.2 Rounding

Amounts have been rounded to the nearest \$1,000 except for Note 16.

3.3 Cash

Cash includes cheques, notes and coins held, deposits held at call with a bank or financial institution and cash held with the Official Public Account.

3.4 Financial Instruments

Accounting policies for financial instruments are stated at Note 15.

3.5 Taxation

The Account is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax (GST).

Goods and Services Tax

Revenue and expenses are recognised net of the amount of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except receivables and payables.

3.6 Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation and disclosure requirements in the financial statements and notes.

3.7 Grants and Subsidies

The Fund applies a uniform policy for all grants and subsidies. Grant and Subsidy liabilities are recognised to the extent that:

- (a) The services required to be performed by the grantee have been performed; or
- (b) The grant/subsidy eligibility criteria have been satisfied.

Where grant/subsidy monies are paid in advance of performance or eligibility, a prepayment is recognised. Grant commitments are reported in the Schedule of Commitments for any agreements signed that have not met the expense recognition criteria.

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

	2003 \$'000	2002 \$'000
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Note 4 - Revenues from Government

Revenues from Government	-	47,859
Adjustment for prior period reporting error ⁽¹⁾	(297)	-
Total Revenues from Government	(297)	47,859

⁽¹⁾ In the 2000-01 financial year the revenue for RTIA was reported as \$48,540,000 when the correct Revenue from Government figure was \$48,243,000. The \$297,000 reduction in the current year Revenues from Government rectifies this situation.

Note 5 - Subsidies

Subsidies	17,142	5,585
Total	17,142	5,585

Note 6 - Grants

Grants		
Non profit institutions	23,549	17,662
State and Territory governments	14,816	23,618
Local government	12,673	8,724
Profit making entities (non Australian Government entities)	3,114	4,809
Total Grants	54,152	54,813

Note 7 - Other

Adjustment for prior period reporting error ⁽²⁾	349	-
Total Other	349	-

⁽²⁾ Over the life of the RTIA there have been several over and understated expenses reported. A complete review of reporting for the life of the project identified a net understatement of expenses of \$349k.

Note 8 - Cash

Cash	54,430	84,992
Total Cash	54,430	84,992

Note 9 - Receivables

Receivables	53	47,832
Total Receivables	53	47,832

Note 10 - Prepayments

Grants	6,401	-
Total Prepayments	6,401	-

Note 11 - Payables

Grants	-	-
Other	-	-
Total Payables	-	-

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 12 - Contingent Liabilities and Assets

Quantifiable Contingencies

Quantifiable contingencies that are not remote nor unquantifiable are reported in the Schedule of Contingencies as Quantifiable Contingencies

Unquantifiable Contingencies

There are no unquantifiable contingencies at 30 June 2003 (2001-02: Nil)

Remote Contingencies

The Account reports contingent liabilities in respect of a request to rectify a contract to make an additional \$2.5m (2002: Nil) payable. The department denies that there is any legal grounds which require the contract to be rectified.

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 13 - Equity Movement Table

Item	Accumulated results		Total Reserves 2003 \$'000	Contributed equity 2003 \$'000	Total equity 2003 \$'000
	2003 \$'000	2002 \$'000			
Opening balance as at 1 July 2002	132,824	145,363	-	-	145,363
Net change in Administered net assets from operations	(71,940)	(12,539)	-	-	(12,539)
Injection/ (disposal) of capital	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance as at 30 June	60,884	132,824	-	-	60,884
Total equity attributable to the Commonwealth	60,884	132,824	-	-	60,884
					132,824

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 14 - Cash Flow Reconciliation	2003	2002
	\$'000	\$'000
Administered		
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cashflows	54,430	84,992
Statement of Financial Position items comprising above cash:		
Financial Asset - Cash	54,430	84,992
Reconciliation of Operating surplus to net cash provided by operating activities		
Net surplus	(71,940)	(12,539)
(Increase) / Decreased in receivables	47,779	418
(Increase) / Decreased in prepayments	(6,401)	(7)
Increase / (Decrease) in grants payable	-	(170)
<i>Net cash provided by operating activities</i>	(30,562)	(12,298)

**Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
*for the year ended 30 June 2003***

Note 15 Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Instrument	Note	Accounting Policies and Methods	Nature of underlying instrument
<i>Financial Assets:</i>			
Cash	7	<i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</i> Deposit is recognised at its nominal amount.	The balance of the cash account is non interest bearing.
Receivables	8	These receivables are recognised at the nominal amounts.	Credit terms are net 30 days (2001/2002: 30 days).
<i>Financial Liabilities:</i>		Financial Liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Grants liabilities	9	Grants made by the Department are recognised as liabilities and expenses only at the time that the grantee has met all obligations and conditions implicit in the grant agreement.	The Department approves applications for grants based on application merits and selection criteria. Grant payments are made in accordance with the grant agreement. The timing of the payments is based on the nature of the project to which the grant is to be put towards and can be subject to the grantee fulfilling requirements relating to the project.

There are no unrecognised financial assets and financial liabilities

Department of Communications, Information Technology and the Arts
 REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

(b) Interest Rate Risk:

	Notes	Floating Interest Rate	Fixed Interest Rate			Fixed Interest Rate 2 to 5 years	Fixed Interest Rate > 5 years	Non-Interest Bearing	Total	Weighted Average Effective Interest Rate
			2003	2002	2003	2002	2003	2002	2003	2002
Financial Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	8	-	-	-	-	-	-	-	54,430	84,992
Receivables - Grants	9	-	-	-	-	-	-	-	53	47,832
GST Receivable										n.a.
Total Financial Assets (Recognised)									54,483	132,824
Total Assets									60,884	132,824
Financial Liabilities										
Grants payable	11	-	-	-	-	-	-	-	-	-
Other Payables	11	-	-	-	-	-	-	-	-	-
Total Financial Liabilities (Recognised)									-	-
Total Liabilities									-	-

Department of Communications, Information Technology and the Arts
REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

(c) Net Fair Values of Agency Financial Assets and Liabilities

	Note	2003		2002	
		Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
Financial Assets					
Cash	8	54,430	54,430	84,992	84,992
Receivables	9	53	53	47,832	47,832
Total Financial Assets		54,483	54,483	132,824	132,824
Financial Liabilities (Recognised)					
Grants Payable	11	-	-	-	-
Other Payables	11	-	-	-	-
Total Financial Liabilities (Recognised)		-	-	-	-
Financial Assets					
The net fair value of cash and receivables approximate their carrying amounts.					
Financial Liabilities					
The net fair value of subsidies and grants payable approximate their carrying amounts.					

Department of Communications, Information Technology and the Arts
 REGIONAL TELECOMMUNICATIONS INFRASTRUCTURE ACCOUNT (RTIA)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

Note 16 - Receipts and expenditure of the Special Account

Legal authority - *Financial Management and Accountability Act 1997*, section 20.

	2003	2003	2003	2002	2002	2002
	Cash	Investments	Total	Cash	Investments	Total
	\$	\$	\$	\$	\$	\$
Amount available for appropriation at 1 July 2002	84,992,111	-	84,992,111	97,289,777	-	97,289,777
Plus: Appropriations credited during year	-	-	-	48,270,816	-	48,270,816
Other revenue credited during year	4,262,840	-	4,262,840	-	-	-
Receipts from realisation of investments	-	-	-	-	-	-
Adjustment for prior period reporting error	47,535,151	-	47,535,151	-	-	-
Total available for expenditure	136,790,102	-	136,790,102	145,560,593	-	145,560,593
Less: Payments made during the year	(82,359,944)	-	(82,359,944)	(60,568,482)	-	(60,568,482)
Amount available for appropriation at 30 June 2003	54,430,158	-	54,430,158	84,992,111	-	84,992,111

Acronym list

A

A/g	Acting	AICC	Australian International Cultural Council
ABA	Australian Broadcasting Authority	AIEAC	Australian Information Economy Advisory Council
AbaF	Australia Business Arts Foundation	AIIA	Australian Information Industry Association
ABC	Australian Broadcasting Corporation	AMOL	Australian Museums and Galleries Online
ABS	Australian Bureau of Statistics	ANAO	Australian National Audit Office
ACA	Australian Communications Authority	ANP	Advanced Networks Panel
ACCC	Australian Competition and Consumer Commission	APEC	Asia-Pacific Economic Cooperation
ACE	Australian Communication Exchange	APPU	Asian–Pacific Postal Union
ACIF	Australian Communications Industry Forum	APRA	Australasian Performing Rights Association Limited
ACS	Australian Customs Service	APS	Australian Public Service
ACT	Australian Capital Territory	APSC	Australian Public Service Commission
ACTF	Australian Children's Television Foundation	APT	Asia-Pacific Telecommunity
AE	Additional Estimates	AQIS	Australian Quarantine Inspection Service
AFC	Australian Film Commission	ASC	Australian Sports Commission
AGLS	Australian Government Locator Service	ASDA	Australian Sports Drug Agency
AIA	Art Indemnity Australia	ASEAN	Association of South East Asian Nations
		ASI	Australia Sport International
		ASPA	Australian Ski Patrol Association

ASTAP	APT Standardization Program	CGP	Cultural Gifts Program
ASTEN	Australasian Science and Technology Exhibitors Network	CHF	Swiss Francs
ATO	Australian Taxation Office	CLRC	Copyright Law Review Committee
ATSC	Aboriginal and Torres Strait Islander Commission	CMC	Cultural Ministers Council
AWA	Australian Workplace Agreement	CMC SWG	Cultural Ministers Council Statistics Working Group
		CO2	carbon dioxide
		COF	Centenary of Federation
		Comtechport	Commonwealth Technology Portal
BARN	Building Additional Rural Networks	CPSU	Community and Public Sector Union
BCL	Broadcast Communications Limited	CPI	Consumer price index
BDF	Business Development Fund	CRU	Communications Research Unit
BITS	Building on IT Strengths	CSG	Customer Service Guarantee
		CSIRO	Commonwealth Scientific and Industrial Research Organisation
C		CTEC	Canberra Tourism and Events Corporation
CAL	Copyright Agency Limited	CTVA	Commercial Television Australia
CARP	Culture and Recreation Portal	CUC	Capital User Charge
CBF	Community Broadcasting Foundation	CVACI	Contemporary Visual Arts and Craft Inquiry
CCA	Commonwealth Copyright Administration	CWP	Capital Works Program
CD	Compact disc		
CDMA	Code Division Multiple Access	D	
CDP	Cultural Development Program	DCITA	Department of Communications, Information Technology and the Arts
CD-ROM	Compact Disc-Read Only Memory	DDSO	Digital Data Service Obligation
CDS	Commonwealth Disability Strategy	DFAT	Department of Foreign Affairs and Trade
CEI	Chief Executive Instructions	DNC	Distributed National Collection
CEO	Chief Executive Officer		
CFO	Chief Financial Officer		
CGM	Chief General Manager		

DOTARS	Department of Transport and Regional Services	G	
DVD	Digital Video Disc	GAA	Graduate Administrative Assistant
E		GAC	Governmental Advisory Committee
EEO	Equal Employment Opportunity	GATS	Government Agreement on Trade in Services
ELR	Educational Lending Right	GBE	Government business enterprise
Email	Electronic mail	GHz	Gigahertz
EME	Electromagnetic Energy Emissions	GM	General Manager
EMG	Executive Management Group	GOVERNET	Government Electronic Resources Network
EMS	Environmental Management System	GPKI	Government public key infrastructure
EPO	Erythropoietin	GSM	Global systems for mobiles
EOI	Expression of Interest		
ESA	Endorsed Supplier Arrangement		
F		H	
FCHP	Federation Cultural and Heritage Projects	HDTV	High definition television
FCP	Federation Community Projects	HLOG	High Level Officials Group
FFC	Film Finance Corporation Australia	HR	Human resources
FLICs	Film Licensed Investment Company Scheme	HRC	Human Resources Committee
FM	Frequency modulation	HRM	Human resource management
FMA	Financial Management and Accountability		
FOI	Freedom of Information		
FTA	Free Trade Agreement		

I			
IAP	Internet Assistance Program	LIMAC	Low Income Measures Assessment Committee
ICOM	International Council of Museums	LMDS	Local multi-point distribution services
ICT	Information and communications technology	M	
ID	Industry development	M 2006 Games	Melbourne 2006 Commonwealth Games
IDP	Industry Development Plan	MACC	Media and Communications Council
IICGADS	International Inter-governmental Consultative Group on Anti-Doping in Sport	MAC	Ministerial Advisory Council
IIOTF	Information Industries and Online Taskforce	MAI	Multilateral Agreement on Investment
IMC	Information Management Committee	MAVIS	Merged Audiovisual Information System
INTELSAT	International Telecommunications Satellite Organisation	MHz	Megahertz
IP	Intellectual property	MOU	Memorandum of Understanding
ISDN	Integrated Services Digital Network	N	
ISP	Internet service provider	NAA	National Archives of Australia
IT	Information technology	NADC	National Australia Day Council
ITO	Information Technology Officer	NAISDA	National Aboriginal and Islander Skills Development Association
ITOL	Information Technology Online	NCA	National Capital Authority
ITR	International Telecommunications Regulations	NCAF	National Collections Advisory Forum
ITU	International Telecommunication Union	NCC	National Competition Council
L		NCF	National Communications Fund
LAN	Local area network	NESB	Non-English speaking background
LBP	Launceston Broadband Project	NICTA	National ICT Australia
LGF	Local Government Fund	NOIE	National Office for the Information Economy
		NPG	National Portrait Gallery

NRF	Network Reliability Framework	Q	
NRS	National Relay Service	QLD	Queensland
NSC	National Security Committee		
NSTC	National Science and Technology Centre (Questacon)	R	
NSW	New South Wales	RAA	Regional Arts Australia
NT	Northern Territory	RABS	Remote Area Broadcasting Services
NTA	National Transmission Agency	RADCOM	Radio Communications Management
NTN	Networking the Nation	RAF	Regional Arts Fund
O			
OECD	Organisation for Economic Cooperation and Development	RAO	Regional Arts Organisation
OH&S	Occupational Health and Safety	REP	Regional Equalisation Plan
OPAI	Online Public Access Initiative	RFT	Request for Tender
OPH	Old Parliament House	RICP	Return of Indigenous Cultural Property Program
P			
PAES	Portfolio Additional Estimates Statements	RLSSA	Royal Life Saving Society Australia
PBS	Portfolio Budget Statements	ROCO	Register of Cultural Organisations
PECC	Project Electronic Commerce and Communications	RSISG	Recreation and Sport Industry Statistical Group
PET	Polyethylene Terephthalate	RTI	Regional Telecommunications Inquiry
PLR	Public Lending Right	RTIA	Regional Telecommunications Infrastructure Account
POP	Point of Presence		
PSMPC	Public Service and Merit Protection Commission		
PWD	People with a Disability		

S

SA	South Australia
SBS	Special Broadcasting Service
SCG	Staff Consultative Group
SCNS	Secretaries' Committee on National Security
SCORS	Standing Committee on Recreation and Sport
SEA	Software Engineering Australia
SES	Senior Executive Service
SITA	Société Internationale de Télécommunications Aéronautiques
SME	Small-to-medium sized enterprise
SRMC	Sport and Recreation Ministers' Council
STD	Subscriber trunk dialling

T

TAPRIC	Telecommunications Action Plan for Remote Indigenous Communities
TAS	Tasmania
TECC	Tasmanian Electronic Commerce Centre
TES	Telstra Enterprise Services
TIO	Telecommunications Industry Ombudsman
TSI	Telecommunications Service Inquiry
TTY	Telephone typewriter
TV	Television

U

UHF	Ultra High Frequency
UNESCO	United Nations Education, Scientific and Cultural Organisation
UPU	Universal Postal Union
USA	United States of America
USO	Universal Service Obligation
USP	Universal Service Plan

V

VCR	Video cassette recorder
VHF	Very high frequency
VIC	Victoria

W

WA	Western Australia
WADA	World Anti-Doping Agency
WCC	Workplace Consultative Committee
WHO	World Health Organisation
WTO	World Trade Organisation
WTO GATS	World Trade Organisation's General Agreement on Trade in Services
www	World Wide Web

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